

**2014 AMENDED AND RESTATED BYLAWS
OF
RANCHO SERRANO HOMEOWNERS ASSOCIATION**

An Association for a Residential Planned Development Community

**NOTICE
(Gov. Code §12956.1)**

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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RANCHO SERRANO HOMEOWNERS ASSOCIATION

ARTICLE 1 - NAME; LOCATION; AND APPROVAL

1.1 ***Name; Principal Office.*** The name of the corporation is Rancho Serrano Homeowners Association hereinafter referred to as the ("Association"). The principal office of the corporation shall be located within the Development (as hereinafter defined) or as close thereto as practicable, in the County of Riverside, State of California.

1.2 ***Documents Being Replaced; Approvals.*** These Restated Bylaws amend and restate, in their entirety, the Bylaws of Rancho Serrano Homeowners Association, approved March 18, 1993 ("Original Bylaws"). The Association was unable to obtain the amount of votes necessary to amend the Restated Bylaws pursuant to Article XIII of the Original Bylaws and therefore filed a Petition pursuant to the authority of California Corporations Code section 7515 in the Superior Court of the State of California for the County of Riverside, as Case Number RIC1512975, seeking court order approving the Restated Bylaws. The court issued an order granting the Petition on January 22, 2016. A copy of the court's order is attached hereto as Exhibit "A" and is incorporated by reference.

ARTICLE 2 - DEFINITIONS

2.1 ***Declaration.*** The "Declaration" shall mean the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Rancho Serrano Homeowners Association and any amendments thereto.

2.2 ***Other Definitions.*** Each and every definition set forth in Article I of the Declaration shall have the same meaning herein.

ARTICLE 3 - MEMBERSHIP; VOTING RIGHTS

The qualification for membership, the classes of membership and the voting rights of Members shall be as set forth in Article II of the Declaration.

ARTICLE 4 - MEETINGS OF MEMBERS

4.1 ***Annual Meetings.*** Annual meetings of the Members shall be held on such date and at such time as the Board of Directors shall determine from time to time; provided, however, that the annual meetings shall be held in the month of March.

4.2 Special Meetings. A special meeting of the Members shall be promptly called by the Board upon:

- 4.2.1 The vote for such a meeting by a majority of a quorum of the Board; or
- 4.2.2 Receipt of a written request for a special meeting signed by Members representing at least five percent (5%) of the total voting power of the Association. A special meeting called in accordance with this Section 4.2.2 must be held not less than thirty-five (35) nor more than ninety (90) days after receipt of said written request and a notice of such special meeting shall be given to Members entitled to vote within twenty (20) days of the receipt of the request.

If the notice is not given within twenty (20) days after receipt of the request, the persons entitled to call the meeting may give the notice or the Superior Court of the County of Riverside shall summarily order the giving of the notice, after notice to the Association giving it an opportunity to be heard. The Court may issue such orders as may be appropriate, including, without limitation, orders designating the time and place of the meeting, the record date for determination of Members entitled to vote, and the form of notice.

4.3 Place of Meetings. Meetings of the Members shall be held within the Development or a meeting place as close thereto as possible. Unless unusual conditions exist, meetings shall not be held outside Riverside County.

4.4 Notice of Meetings. Written notice of regular and special meetings shall be given to Members by the Board by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than ninety (90) days before the date of any meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of such notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the nature of the business to be undertaken.

4.5 Quorum. The presence at any meeting in person, by submission of a ballot or by proxy of Members entitled to cast at least one-third of the total votes of all Members of the Association shall constitute a quorum. In the absence of a quorum, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum of those in attendance shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall be twenty-five percent (25%) of the total voting power of the Association. If a time and a place for the adjourned meeting are not fixed by those in attendance at the

original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

4.6 Proxies. Every Member entitled to vote shall have the right to do so by a written proxy executed by such Member, and filed with the secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution. All proxies must satisfy the applicable requirements of section 5130 of the California Civil Code, section 7613 of the California Corporations Code or any successor statutes thereof. If the Association has one hundred (100) or more Members, any form of proxy distributed to ten (10) or more Members must comply with the requirements of section 7514 of the California Corporations Code or any successor statute thereof. Every proxy shall be revocable and shall automatically cease when the ownership interest or interests of such Member entitling him to membership in the Association ceases. Any revocable proxy concerning certain matters which require a vote of the Members is not valid as to such matters unless it sets forth the general nature of the matters to be voted on. These certain matters are as follows: (a) removal of a director without cause; (b) filling vacancies on the Board created by removal of a director; (c) approval of transactions involving directors; (d) amendment to the Articles; (e) sale, lease conveyance, exchange, transfer, or other disposition of all or substantially all of the assets of the Association; (f) merger of the Association with another corporation; (g) amendment of an agreement of merger; (h) voluntary dissolution of the Association and (i) distribution of the Association's assets upon dissolution. Any form of proxy distributed to the Membership of the Association shall afford an Owner the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon at the meeting for which said proxy was distributed, except it shall not be mandatory that a candidate for election to the Board be named in the proxy. The proxy shall provide that, where the Owner specifies a choice, the vote shall be cast in accordance with that choice. In addition, that proxy shall also identify the Member authorized to exercise the proxy and the length of time it shall be valid.

4.7 Order of Business. The order of business of all meetings of the Members shall be as follows:

- 4.7.1 Roll call;
- 4.7.2 Proof of notice of meeting or waiver of notice;
- 4.7.3 Reading of minutes of preceding meeting;
- 4.7.4 Reports of Board and officers;
- 4.7.5 Election of directors, if any are to be elected;
- 4.7.6 Unfinished business; and
- 4.7.7 New business

4.8 **Parliamentary Procedure.** All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

4.9 **Action Without Meeting.** Any action which may be taken by the vote of Members at a regular or special meeting, may be taken without a meeting if done in compliance with the provisions of section 5115 of the Civil Code and section 7513 of the Corporations Code, if applicable.

ARTICLE 5 - SELECTION AND TERM OF OFFICE OF BOARD

5.1 **Number.** The affairs of this Association shall be managed by a Board of five (5) directors, who are required to be Members of the Association. No more than one Owner of any Lot may serve on the Board at the same time.

5.2 **Term of Office.** The terms of office of all members of the Board shall be staggered two year terms, with two terms expiring in even-numbered years, and three terms expiring in odd-numbered years.

5.3 **Compensation.** No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties. Any expenses for travel outside of Riverside County must have prior approval of the Board.

5.4 **Indemnification of Directors, Delegate Officers and Employees.** Except to the extent prohibited by then applicable law, this Association shall reimburse, indemnify and hold harmless each present and future director, delegate officer and employee of this Association from and against all loss, cost, liability and expense which may be imposed upon or reasonably incurred by him, including reasonable settlement payments, in connection with any claim, action, suit or proceeding, or threat thereof, made or instituted, in which he may be involved or be made a party by reason of his being or having been a director, delegate officer or employee of this Association or such other Association, or by reason of any action alleged to have been taken or omitted by him in such capacity. If a disinterested majority of the Board of this Association (or, if a majority of the Board is not disinterested, then independent legal counsel) determines in good faith that such person was acting in good faith (a) within what he reasonably believed to be the scope of his authority or employment, and (b) for a purpose which he reasonably believed to be in the best interests of the Association then said person shall be reimbursed, indemnified and held harmless by the Association.

The right of indemnification provided in this Section shall inure to each person referred to in this Section, and in the event of his death shall extend to his legal representatives. The right of indemnification provided in this Section shall not be exclusive of any other rights to which any such person, or any other individual, may be entitled as a matter of law (including, without limitation, his rights under section 7237 of the California Corporations Code), or under any agreement, vote of directors or stockholders or otherwise.

ARTICLE 6 - NOMINATION. ELECTION AND REMOVAL OF DIRECTORS

6.1 **Nomination.** The Board of Directors shall establish reasonable nomination procedures for election to the Board. The election rules may provide whether and to what extent nominations must be received before the secret ballots are prepared and mailed to Owners.

6.2 **Election.** Election to the Board and removal therefrom shall be by secret written ballot. At any such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected, except as is otherwise provided in Section 6.2.

6.3 **Cumulative Voting.** The election and removal of directors shall be by cumulative voting in accordance with California Corporations Code section 7615, and pursuant to subsection (b) of California Corporations Code section 7615, no Member shall be entitled to cumulate votes for a candidate or candidates unless such candidate's name or 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 anyone Member has given such notice, all Members may cumulate their votes for candidates in nomination.

6.4 **Removal.** Any director may be removed from the Board with or without cause by a majority vote of the cast when a quorum of the Members of the Association; is represented provided, however, that unless the entire Board is removed, an individual director shall not be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect the Board Member 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 the Board Members were then being elected.

6.5 **Vacancies.** In the event of death, or resignation, of a director, his successor shall be elected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor. Vacancies may be declared, or Directors may be removed as follows:

- 6.5.1 The Board may declare vacant the office of a Director on the occurrence of any of the following events:
- (a) The Director is declared of unsound mind by a final order of a court.
 - (b) The Director is convicted of a felony.
 - (c) The Director has failed to attend three consecutive regular meetings of the Board.
 - (d) The Director ceases to be an Association Member.

- (e) The Director is more than ninety days delinquent in the payment of any assessments, fees, charges or monetary penalties due the Association.

6.5.2 [Corp. Code § 7222(f)] By a majority vote, the Board may remove any Director who was appointed by the Board to fill a vacancy on the Board.

ARTICLE 7 - MEETINGS OF DIRECTORS

7.1 **Regular Meetings.** Regular meetings of the Board shall be held monthly, at such time as may be fixed from time to time by resolution of the Board. In no event shall regular meetings of the Board be held less than once every six (6) months. The meeting place shall ordinarily be within the Development itself unless in the judgment of the Board a larger meeting place exists than is available within the Development in which case the meeting place selected shall be as close to the Development as possible. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

7.2 **Board Meeting Notice to Board Members.** [Corp. Code § 7211(a)(2)] Regular meetings of the Board may be held without notice to Board members if the time and place of the meetings are fixed by the Board. Regular meetings, if the time and place are not fixed by the Board, and special meetings of the Board shall be held upon four days' notice by first-class mail or forty-eight hours' notice delivered personally or by telephone, including a voice messaging system or by Electronic Transmission to Board members. Notice need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

7.3 **Special Meetings.** Special meetings of the Board may be called by written notice signed by the president of the Association or by any two Members of the Board other than the president. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

7.4 **Emergency Board Meetings.** [Civ. Code § 4923] An emergency meeting of the Board, either in open session or executive session, may be called by the President, or by any two Board members if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as required herein. Electronic Transmissions may be used as a method of conducting an emergency meeting if all Board members agree in writing or Electronic Transmission to conducting the emergency meeting by Electronic Transmission. The consent of each Board member must be filed with the minutes of the emergency meeting. If all the Board members consent to conducting the emergency meeting by Electronic Transmission, a decision by a majority of the Directors voting on the item of business shall be the act of the Board as long as a quorum of the Board votes.

7.5 Organizational Meeting of Board. The first meeting of a newly elected Board shall be an organizational meeting and shall be held within ten (10) days of election of the Board, at such place as shall be fixed and announced by the directors at the meeting at which such directors were elected for the purpose of organization, election of officers and the transaction of other business.

7.6 Quorum. A majority of the number of directors then in office shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, unless a greater number be required by law or by the Articles of Incorporation or by the Declaration.

7.7 Conduct of Meetings. The president, or in his absence, any director selected by the directors present, shall preside at meetings of the Board. The secretary of the Association, or in his absence any person appointed by the presiding officer, shall act as secretary of the Board.

7.8 Right of Members to Attend. Regular and special meetings of the Board shall be open to all Members of the Association except when the Board adjourns to executive session. Members who are not on the Board may speak at any meeting, except executive sessions, subject to reasonable limitations established by the Board of Directors. Notice of the time and place of a Board meeting, except for emergency meetings and executive sessions, shall be communicated to Members not less than four days prior to the meeting. Notice of the time and place of executive session Board meetings, except for emergency meetings, shall be communicated to Members not less than two days prior to the meeting. Notice shall be given by any means allowed by applicable law. Any Member may request and receive the notice by mail or Electronic Transmission, at the address requested by the Member.

7.9 Executive Sessions. The Board may, with the approval of a majority of a quorum of the Board, meet in executive session with its legal counsel, or meet to discuss and vote upon (1) litigation in which the Association is or may become involved, (2) matters that relate to the formation of contracts with third parties, (3) personnel matters, (4) Member disciplinary matters, (5) orders of business of a similar nature, and (6) to meet with a Member upon the Member's request regarding the Member's payment of assessments. An executive session which does not follow an open meeting may be called and noticed to the Board members in the same manner as a special meeting or as an emergency meeting if required by the circumstances. Any matter discussed in executive session shall be generally noted in the minutes of the next meeting of the Board of Directors which is not an executive session.

7.10 Board Meeting Minutes; Availability to Owners. [Civ. Code §§ 4950 & 5200; Corp. Code § 8320] The Board shall keep accurate written minutes of its meetings, and shall retain them in the permanent records of the Association. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any Board meeting, other than executive session, shall be available to Members within thirty days after the meeting. The minutes, proposed

minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement for the costs in making that distribution. Members shall be notified in writing at the time that the budget is distributed, or at the time of any general mailing to the entire membership, of their right to have copies of the minutes of meetings of the Board, and how and where those minutes may be obtained.

ARTICLE 8 - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1 Powers. The Board shall have all powers conferred upon the Association as set forth herein, the Declaration and the California Corporations Code governing nonprofit mutual benefit corporations, and the Davis-Stirling Common Interest Development Act, subject to those general limitations and restrictions as contained in the Declaration and excepting only those powers expressly reserved to Members.

8.2 Duties. It shall be the duty of the Board to:

- 8.2.1 Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- 8.2.2 Delegate its powers as provided in the Declaration;
- 8.2.3 Enforce the provisions of this Declaration, the Articles, the Bylaws and the Association Rules by appropriate means and carry out the obligations of the Association hereunder;
- 8.2.4 Maintain and otherwise manage the following:
 - (a) All Common Area improvements and landscaping thereon in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association;
 - (b) All personal property in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association; and
 - (c) All property, real or personal, which the Association is obligated to repair or maintain pursuant to this Declaration, including, without limitation, the Article of the Declaration entitled "Repair and Maintenance."
- 8.2.5 Pay any real and personal property taxes and other charges, or other charges assessed to or payable by the Association;
- 8.2.6 Obtain, for the benefit of the Common Area, all necessary utility services and other services as required;

- 8.2.7 Prepare budgets and financial statements for the Association as prescribed in the Bylaws;
- 8.2.8 Formulate rules of operation of the Common Area, and facilities owned or controlled by the Association;
- 8.2.9 Initiate and execute disciplinary proceedings against Members for violations of provisions of the Articles, Bylaws, Declaration and Association Rules in accordance with procedures set forth in such documents;
- 8.2.10 Elect officers of the Board;
- 8.2.11 Formulate rules to regulate membership meetings, elections, appointment of inspector(s) of election, and voting procedures.
- 8.2.12 Appoint inspectors of election for any membership vote.
- 8.2.13 The Association shall have the right to impose monetary penalties, temporary suspensions of an Owner's rights as a Member of the Association or other appropriate discipline for failure to comply with the Governing Instruments provided that the procedures for notice and hearing, satisfying the minimum requirements of section 5855 of the Civil Code, are followed with respect to the accused Member before a decision to impose discipline is reached.
- 8.2.14 Fill vacancies on the Board, except vacancies created by the removal of a Director by the Members;
- 8.2.15 Subject to the limitations imposed in the Declaration, contract for casualty, liability and other insurance on behalf of the Association;
- 8.2.16 Subject to the limitations imposed in the Declaration, contract for goods and/or services for the property owned or controlled by the Association;
- 8.2.17 Grant easements where necessary for utilities over the Common Area;
- 8.2.18 Review a current reconciliation of the Association's operating accounts and reserve accounts on at least a quarterly basis. On at least a quarterly basis, the Board shall also review the current year's actual reserve revenues and expenses compared to the current year's budget. The Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts and the

Board shall also review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis. Withdrawal of funds from the Association's reserve account shall require signatures of either two (2) members of the Board or one (1) member of the Board and an officer of the Association who is not also a member of the Board.

8.2.19 The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of the Common Area which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established. However, the Board may authorize the 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. The transferred funds shall be restored to the reserve fund within three (3) years of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a delay would be in the best interests of the Development, delay the restoration until the time which the Board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this section as set forth hereinbelow. This Special Assessment is subject to the limitation imposed by section 5605 of the Civil Code.

8.2.20 At least once every three (3) years the Board shall cause a study of the reserve account requirements of the Development to be conducted if the current replacement value of the Common Area which the Association is obligated to repair, replace, restore, or maintain is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

The study required shall comply with Applicable Laws.

8.2.21 The Board shall have all other duties conferred upon it as set forth in the Declaration.

8.3 Budgets and Financial Statements. The Board shall cause to be regularly prepared and distributed to all Members regardless of the number of Members or the amount of assets of the Association as follows:

8.3.1 A budget consisting of at least the following information for each fiscal year shall be distributed not less than thirty (30) days and not more than ninety (90) prior to the beginning of the fiscal year:

- (a) Estimated revenue and expenses on an accrual basis.
- (b) A summary of the Association's reserves based upon the most recent review or study to be conducted as referenced hereinbelow, which shall be printed in bold type and include all of the following:
 - (i) The current estimated replacement cost, estimated remaining life, and estimated useful life of the Common Area.
 - (ii) As of the end of the fiscal year for which the study was prepared:
 - i. The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain the Common Area.
 - ii. The current amount of accumulated cash reserves actually set aside to repair, replace, restore or maintain the Common Area.
- (c) The percentage that the amount determined for clause i of paragraph (ii) above is of the amount determined for purposes of clause ii of paragraph (ii) above.

8.3.2 A statement as to whether the Board of the Association has determined or anticipates that a levy of one or more Special Assessments will be required to repair, replace or restore the Common Area or to provide adequate reserves therefor. The summary of the Association's reserves disclosed pursuant to this paragraph shall not be admissible in evidence to show improper financial management of an Association, provided that other relevant and competent evidence of the financial condition of the Association is not made inadmissible by this provision.

8.3.3 A general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major

components of the Common Areas and facilities for which the Association is responsible.

A copy of the budget shall be located in the business office of the Association or at another suitable location within the boundaries of the Development.

- 8.3.4 A report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year:
- (a) A balance sheet as of the end of the fiscal year.
 - (b) An operating (income) statement for the fiscal year.
 - (c) A statement of changes in financial position for the fiscal year.
- 8.3.5 For any fiscal year in which the gross income to the Association exceeds Seventy Five Thousand Dollars (\$75,000), a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy shall also be distributed. If this report referred to above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared without independent audit or review from the books and records of the Association.
- 8.3.6 In addition to financial statements, the Association shall annually distribute a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of Assessments including the recording and foreclosing of liens against Members' Residences. This statement shall be distributed with the operating budget.
- 8.3.7 The Association shall provide notice by first class mail to each Owner of any increase in the Regular or Special Assessments of the Association, not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.
- 8.3.8 In lieu of the distribution of the budget required by Subdivision 8.3.1 hereinabove, the Board may elect to distribute a summary of the statement to all its Members with a written notice that the statement is available at the business office of the Association or at another suitable location within the boundaries of the Development and that copies will be provided upon request and at the expense of the Association. If any Member requests a copy of the budget required by Subdivision 8.3.1 hereinabove to be mailed to the Member, the

Association shall provide the copy to the Member by First Class United States Mail at the expense of the Association and deliver the same within five (5) days. The written notice that is distributed to each of the Association Members shall be in at least 10-point bold type on the front page of the statement.

- 8.3.9 Unless the Association or its Assessment income shall be exempt from federal or state income taxes, to the extent possible, all reserves shall be accounted for and handled as contribution to the capital of the Association and as trust funds segregated from the regular income of the Association or in such other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board as will prevent such funds from being taxed as income of the Association. A reserve fund shall be expressly established to cover the deductibles under Association insurance policies.

ARTICLE 9 - OFFICERS AND THEIR DUTIES

9.1 **Enumeration of Officers.** The officers of the Association shall be a president and vice president, who shall at all times be Members of the Board, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

9.2 **Election of Officers.** The election of officers shall take place at the organizational meeting of the Board following each annual meeting of the Members.

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

9.4 **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

9.5 **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time after giving written notice to the Board, the president or the secretary or by giving verbal notice at an open Board meeting or executive session. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.6 **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

9.7 **Multiple Offices.** The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 9.4.

9.8 **Duties.** The duties of the officers are as follows:

9.8.1 President. The president shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and shall co-sign all promissory notes.

9.8.2 Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall perform such other duties as may be required of him by the Board.

9.8.3 Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, shall serve notice of meetings of the Board and of the Members, shall keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

9.8.4 Treasurer. The treasurer shall be responsible for receiving and depositing in appropriate bank accounts all monies of the Association and shall be responsible for disbursing such funds as directed by resolution of the Board, shall co-sign all promissory notes of the Association, shall keep proper books of account, shall prepare budgets and financial statements on behalf of the Association, and shall perform such other duties as required by the Board.

9.9 **Delegation of Officers' Duties.** With Board approval, an Officer may delegate his or her powers and duties to any committee, employee or agent of the Association, including, but not limited to, a community association manager.

9.10 **Limitation of Officer's Powers.** No Officer may enter into any contract or incur any debt or other obligation for the Association without authorization of the Board of Directors.

ARTICLE 10 - COMMITTEES

The Board shall appoint committees as it deems appropriate in order to carry out the Association's purpose.

ARTICLE 11 - BOOKS AND RECORDS

11.1 *Member Inspection of Association Records.* [Civ. Code § 5200 et seq.] "Association Records" and "Enhanced Association Records," defined in Civil Code section 5200 or any successor statutes, shall be open to inspection upon the written demand on the Association by any Member for a purpose reasonably related to such Member's interests as a Member in accordance with the terms and conditions of Civil Code section 5200 and any successor statutes. Members may not inspect the minutes of executive meetings, information related to disciplinary matters, individual Lot files (except their personal Lot file), or any other records except those specifically allowed herein or as allowed by the Board or by applicable law. The Association may withhold or redact information if the release of the information is reasonably likely to lead to fraud in connection with the Association or identity theft or the information is privileged by applicable law, all as more specifically set forth in Civil Code section 5215 and any successor statutes.

11.2 *Inspection and Copying.* The membership register, (including mailing addresses and telephone numbers), books of account and Articles and Bylaws, as amended to date shall be made available for inspection and copying by any Member of the Association--or by his duly appointed representative--within ten days upon a written demand and payment of a reasonable charge for copying and mailing costs for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Development as the Board shall prescribe.

11.3 *Rules and Regulations.* The Board shall establish reasonable rules with respect to:

- 11.3.1 Notice to be given to the custodian of records by the Member desiring to make the inspection.
- 11.3.2 Hours and days of the week when such an inspection may be made.
- 11.3.3 Payment of the cost of reproducing copies of documents requested by a Member.

11.4 *Rights of Directors.* Subject to any limitations imposed by applicable law, every director of the Association and every Director of Redhawk Community Association, a California nonprofit mutual benefit corporation, shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The foregoing right of inspection includes the right to make extracts and copies of documents, and, when such right is exercised by a Director of Redhawk Community Association, all extracts and copies of documents requested by such Director shall be at his or her expense.

ARTICLE 12 - AMENDMENTS

These Bylaws may be amended, with the approval of a majority of the voting power of the Association. Notwithstanding the above, the percentage of a quorum or of the voting power of the Association necessary to amend a specific clause or provision in these Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Anything contained in these Bylaws to the contrary notwithstanding, the rights of each Director of Redhawk Community Association set forth in Section 11.4 hereinabove of these Bylaws may not be amended, modified nor rescinded at any time without the prior written consent of the Board of Directors of Redhawk Community Association.

ARTICLE 13 - MISCELLANEOUS

13.1 ***Fiscal Year.*** The fiscal year of the Association shall be determined by the Board of Directors, from time to time, except that the first fiscal year shall begin on the date of incorporation of the Association.

13.2 ***Conflict.*** In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

13.3 ***Proof of Membership.*** No person shall exercise the rights of membership in the Association until satisfactory proof thereof has been furnished to the secretary. Such proof may consist of either a copy of recorded deed showing said person to be the Owner of a Lot in the Development entitling him to membership. Such deed shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

CERTIFICATE OF SECRETARY

OF

RANCHO SERRANO HOMEOWNERS ASSOCIATION

a California Nonprofit Mutual Benefit Corporation

I, the undersigned, do hereby certify that i am the duly elected Secretary of the Rancho Serrano Homeowners Association, a California corporation. The foregoing Amended and Restated Bylaws of said Association constitute the fully amended and restated Bylaws as approved by the membership of the Association.

DATED: FEBRUARY 10, 20 16.

Marlene Kuhn
Secretary

EXHIBIT A

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

JAN 27 2016

C. 27 2016

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE, WESTERN REGION, HISTORIC COURTHOUSE

In the matter of:

RANCHO SERRANO ASSOCIATION, a
California Non-Profit Mutual Benefit
Corporation; RON TURCO, an individual,

Petitioners.

CASE NO. RIC1512975

**ORDER GRANTING VERIFIED
PETITION TO AMEND BYLAWS**

Date: January 22, 2016

Time: 8:30 a.m.

Dept.: 2

Petition Filed: October 26, 2015

The verified petition of Rancho Serrano Association ("Association") and Ron Turco, the Association's Board President and an individual homeowner ("Turco") for an order to reduce the percentage of affirmative votes necessary to amend the Bylaws for Rancho Serrano Association, ("Proposed Amendment"), came on regularly for hearing on January 22, 2016, at 8:30 a.m. in Department 2 of the above-entitled court, located at 4050 Main Street, Riverside, CA 92501, the Honorable Gary B. Tranter, Judge Presiding. Pejman D. Kharrazian of the law firm of Epsten Grinnell & Howell, APC, appeared on behalf of Petitioner. [] appeared in opposition to the Petition.]

The Court, having considered the verified petition and the attached exhibits, the memorandum of points and authorities, and other documents in support [and in opposition to] of the Petition, having heard the arguments before it and being fully advised in the matter, finds as follows:

ORDER GRANTING VERIFIED PETITION TO AMEND BYLAWS

1. All parties entitled to notice of the hearing were provided with notice. Petitioner gave proper written notice of the hearing, as ordered by this Court, to all members of the Association no less than 30 days before the hearing.

2. It was impractical or unduly difficult to obtain the consent needed to approve the proposed amendment to the Bylaws, and it is appropriate, fair and equitable under the circumstances presented to the Court to approve the proposed amendment to the Bylaws based on the member consent received by the Association pursuant to the authority of Corporations Code section 7515.

On proof being made to the satisfaction of the Court, and for good cause shown,

IT IS, THEREFORE, ORDERED, ADJUDGED, AND DECREED that:

1. The Bylaw's requirement at Article XIII relating to the percentage of votes needed for approval of the Proposed Amendment to the Bylaws is reduced for the purposes of this Petition and the proposed amendment to the Bylaws is validly approved on the basis of the affirmative votes that were actually received during the balloting period that ended April 28, 2015.

2. The Association shall mail notice of the approval and adoption of the proposed amendment to the Bylaws within a reasonable time following the issuance of this order.

IT IS SO ORDERED

DATED: 2-7-68

Judge of the Superior Court
Gary B. Trenbarger

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE
4050 Main Street
Riverside, CA 92501
www.riverside.courts.ca.gov

CLERK'S CERTIFICATE OF MAILING

RANCHO SERRANO ASSOCIATION

vs.

CASE NO. RIC1512975

TO: EPSTEN GRINNELL & HOWELL, APC
10200 WILLOW CREEK RD
SUITE 100
SAN DIEGO CA 92131

I certify that I am currently employed by the Superior Court of California, County of Riverside and I am not a party to this action or proceeding. In my capacity, I am familiar with the practices and procedures used in connection with the mailing of correspondence. Such correspondence is deposited in the outgoing mail of the Superior Court. Outgoing mail is delivered to and mailed by the United States Postal Service, postage prepaid, the same day in the ordinary course of business. I certify that I served a copy of the attached VERIFIED PETITION TO AMEND BYLAWS on this date, by depositing said copy as stated above.

Court Executive Officer/Clerk

Dated: 01/27/16

by:


CLAUDIA M ZUNIGA, Deputy Clerk