

**BYLAWS  
SUNRISE MOUNTAIN MUTUAL HOME OWNER'S  
ASSOCIATION**

**ARTICLE 1. OFFICES**

Section 1. Principal Office

A. The principal office of the Corporation for the transaction of its business is located in Cazadero, Sonoma County, California.

Section 2. Change of Address

A. The Board of Directors may change the principal office from one location to another within the named county.

Section 3. Other Offices

A. The Corporation also may have offices at such other places within or without the State of California, where it is qualified to do business, as its business may require, and as the Board of Directors may from time to time, designate.

**ARTICLE 2. PURPOSES**

We are a community based non-profit mutual benefit Corporation whose primary purposes are:

- A. To maintain access roads to subdivision.
- B. To establish and maintain a water system.
- C. To install and maintain a dam on Austin Creek when permitted by law.
- D. To be involved with other matters of concern deemed necessary to Sunrise Mountain Subdivision.
- E. To install and maintain necessary equipment from (A) through (D).
- F. To levy and collect dues and other assessments necessary for (A) through (E).

**ARTICLE 3. MEMBERS**

Section 1. Eligibility

A. Any owner(s) of record of one or more building sites or lots or one or more houses located in the subdivision is eligible for membership. Evidence of ownership must be established to the Board of Directors or to an Officer designated by the Board of Directors.

B. Single or multiple ownership of property constitutes one membership and

one vote.

C. Except as expressly provided in or authorized by the Bylaws, all memberships shall have the same rights, privileges, restrictions, and condition.

### Section 2. Record

A. the Corporation shall keep a membership book containing the name and address of each member. Termination and date of termination of such membership shall be recorded in the book.

B. The record of names and addresses of the members of this Corporation shall constitute the membership list and shall not be used, in whole or part, by any person for any purpose not reasonably related to a member's interest as a member.

### Section 3. Non-liability

A. A member of this Corporation is not, as such, personally liable for the debts, liabilities, or obligations of the Corporation.

### Section 4. Non-transferability and Rights on Termination

A. No member may transfer for value a membership or any right arising there from. All rights of membership cease upon the member's death or transfer of ownership.

B. All rights of a member shall cease on termination of membership as herein provided.

### Section 5. Termination of Membership

A. Membership may be terminated for the following:

(1) When dues and/or assessments against a member is in arrears or delinquent for 30 days or 1 month.

(2) Upon determination by the Board of Directors that the member has engaged in action materially and prejudicial to the interests or purposes of the Corporation.

(3) Upon determination by the Board of Directors that a member wastes excessive amounts of water.

(4) When any member sells or otherwise furnishes water to another person or organization not a member of this Corporation for use on land within or outside the Sunrise Mountain Subdivision.

B. Procedure for Termination

(1) Following the determination that a member should be terminated

under subparagraph (A) of this section, a notice shall be sent by registered mail to the last address shown on the Corporation's records at least 15 days before the proposed effective date, stating the reasons for the termination.

(2) The member being terminated shall have 10 days after receipt of notice to prevent termination.

(3) Members will be reinstated when conditions for termination have been satisfied.

#### Section 6. Dues and Assessments

A. Annual dues and other necessary assessments and terms for payment shall be established by the membership.

(1) Dues and other necessary assessments are considered delinquent 30 days after the beginning of the fiscal year and/or date of billing.

B. There shall be a late payment fee to be determined by the Home Owner's Association Section of California Real Estate Law, unless prior arrangements are made with the Corporation's treasurer.

C. There shall be a proportionate dues and assessment for any owner in the Sunrise Mountain Subdivision who does not use water from the Corporation's water system, or who owns and/or uses one or more lots or sites in the subdivision.

(1) Any unit of any type used as a separate living unit in the Subdivision is subject to full dues and assessments.

### **ARTICLE 4. MEETINGS**

#### Section 1. Annual Meeting

A. The annual meeting of the members shall be held in June, July, or August of each year and not later than Labor Day weekend, at a time and place designated by the Board, for the purpose of electing Directors to the Board ,and transacting other business as may come before the meeting.

(1) The Nominating Committee and General Membership will be solicited for nominations to the Board of Directors.

(2) The candidates receiving the highest number of votes shall be elected to office.

(3) Each voting member in good standing shall cast one vote, with voting being by ballot only.

(4) The annual meeting shall be deemed a regular meeting and any

reference in these Bylaws to regular meeting of members refers to this annual meeting.

### Section 2. Special Meetings

A. Special meetings of the members may be called by two Board members. In addition, special meetings for any lawful purpose may be called by 25% or more of the members, and said request is to be made in writing to any office of the Corporation.

(1) A quorum at any such meeting shall be 40% of the members.

### Section 3. Quorum, Voting, and Proxy

A. A quorum at any regular meeting shall consist of 40% of the membership. No business shall be transacted without a quorum present.

B. Each membership is entitled to one vote, in person or by proxy, on each matter submitted to vote by the members.

C. Voting at duly held meetings shall be by voice unless there is a prior decision to vote by ballot.

D. All proxy votes shall be in writing and filed with the secretary. In addition, a member may give a written proxy to another person authorizing that person to vote in his or her stead.

### Section 4. Notices

A. The secretary of the Corporation will notify the membership of the date, time, place, and agenda of the meeting. At least 10 days notice shall be given.

(1) Members may present any proper matter at a regular meeting by submitting items to the president of the Corporation prior to the beginning of the annual meeting.

(2) In the case of special meetings, the general nature of the business to be transacted and no other business may be transacted. At least 30 days notice shall be given.

(3) Notice of a members' meeting or any report shall be given either personally or by mail or other means of written communication, addressed to the member at the address appearing on the Corporation books or given for the purpose of notice. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

### Section 5. Waiver of Notice and Consent to Hold Meetings

A. The transactions of any meeting of the membership, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as defined by the Bylaws is present.

#### Section 6. Majority Action as Membership Action

A. Every act or decision done or made by a majority of voting members, present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members, unless the law, the Articles of incorporation of this Corporation, or the Bylaws require a greater number.

### **ARTICLE 5. DIRECTORS**

#### Section 1. Number

A. The Corporation shall have seven (7) directors who are members of the corporation, as defined by Article 3, and collectively shall be known as the Board of Directors.

B. There shall be no less than two (2) full-time resident directors on the Board.

C. There shall be no less than two (2) part-time resident directors on the Board.

#### Section 2. Powers

A. The activities and affairs of this Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

#### Section 3. Duties

A. It shall be the duties of the Board of Directors to:

(1) Conduct, manage, and control the affairs and business of this Corporation relating to Article 2 of these Bylaws, and to make rules and regulations not inconsistent with the laws of the State of California, or the Bylaws of this Corporation.

(2) Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly.

(3) Appoint and remove, employ and discharge, and except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all providers, agents, and employees of the corporation.

(4) Meet at regularly specified times and places.

#### Section 4. Compensation

A. Directors shall serve without compensation except that they shall be allowed and paid reasonable advancement or reimbursement for expenses incurred in the performance of their regular duties as specified in Section 3 of this article.

B. Directors may not be compensated for rendering services to the Corporation in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Section 5 of this article.

#### Section 5. Restrictions Regarding Interested Directors

A. Notwithstanding any provision of these Bylaws, not more than two (2) of the persons serving on the Board may be interested persons. For purposes of this section, "interested persons" means either:

(1) Any person currently being compensated by the Corporation for services rendered it within the previous twelve (12) months as an employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as a Director.

(2) Any brother, sister, spouse, son, daughter, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, aunt, uncle, or etc. of any such person.

#### Section 6. Non-Liability

A. The Directors shall not be liable personally for the debts, liabilities, or other obligations of the Corporation.

#### Section 7. Election, Term, Vacancy, and Removal of Directors

A. The Directors shall be elected at the annual membership meeting, but if such annual meeting is not held or the Directors not elected thereat, the Directors may be elected at any special membership meeting held for that purpose.

B. Directors shall be elected to serve 2 (two) years, and the term of office shall begin immediately upon election. To insure the continuity of the Corporation, the number of Directors elected each year will alternate between three (3) and four (4): three (3) Directors shall be elected one year and four (4) Directors the next year.

C. Vacancies on the Board occurring during the year may be filled for the unexpired term by a majority vote of the remaining Directors.

D. Directors may be removed with cause by a majority vote of the member or the Board of Directors at any regular or special meeting.

#### Section 8. Meetings of the Board

A. The annual meeting of the Board shall be held in June, July, or August of each year, and no later than Labor Day for the purpose of electing officers and for any other business that may arise.

B. The Board of Directors shall establish meeting dates. There shall be a minimum of four (4) meetings per year at a date and place specified by the Board.

C. Meetings of the Board may be called by any officer or by any two (2) directors, and such meetings shall be held at the place designated by the person or persons calling the meeting.

D. The secretary of the Corporation will notify the Board of Directors of the date and time of meetings at least ten (10) days prior to meetings.

E. Waivers: the transaction of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after regular call and notice; provided a quorum is present, and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the Corporation records or made a part of the minutes of the meeting.

#### Section 9. Quorum, Majority Action of Board Action, and Proxy

A. A quorum at any Board meeting shall consist of four (4) directors. The business of the Corporation shall not be conducted in the absence of a quorum.

B. Every act or decision done or made by a majority vote of the total members of the Board in person or by proxy at a duly held meeting at which a quorum is present is the act of the Board, unless the law, Articles of incorporation of this Corporation, or these Bylaws require a greater number.

C. All proxy votes shall be in writing and filed with the secretary. In addition, a Board member may give a written proxy to another person authorizing said person to vote in his or her stead.

#### Section 10. Officers

A. The Officers of the Corporation shall be a president, vice-president, secretary, assistant secretary, treasurer, and an assistant treasurer. Any number of offices may be held by the same person except that neither the secretary nor the treasurer may serve as the president of the Board.

B. The Board may appoint such other officers as the business of the Corporation may require, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed by the Board from time to time.

C. Election, Term, Removal, Resignation, Vacancy

(1) Officers shall be chosen by the Board at the annual Board meeting, and each shall hold office until he/she resigns or is removed or otherwise disqualified to serve, or until his or her successor is elected and takes office.

(2) Any officer may be removed with cause by the Board of Directors or a majority vote of the membership at any meeting of the Board or the membership.

(3) Any officer may resign at any time by giving written notice.

(4) A vacancy in any office due to any cause shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the Board shall fill the vacancy. Vacancies of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

D. Duties

(1) **President:** the president shall:

(a) be the chief executive officer of the Corporation.

(b) be subject to the control of the Board of Directors, supervise and control the affairs of the Corporation and the activities of the officers.

(c) perform the duties and have the powers incident to the office and such other duties and powers which may be prescribed from time to time by the Board of Directors.

(d) preside at all meetings of the Board and of the membership.

(2) **Vice President:** the vice president shall:

(a) perform the duties of, have the powers of, and be subject to all the restrictions on, the president in the event of his or her absence, inability, or refusal to discharge the duties of his or her office.

(b) have other powers and perform such other duties as may be prescribed by the Board of Directors and in general for performing all duties incident to the office.

(3) **Secretary:** the secretary shall:

(a) be responsible for all minutes of membership and Board meetings.

(b) be responsible for all records relating to the Corporation,



including members' names and addresses, Corporation seal, past, present, amended Bylaws.

(c) for seeing that all notices of meetings and other matters are given in accordance with the Bylaws or as required by law.

(d) for the distribution of the Homeowners' Newsletter.

(e) in general, for performing all duties incident to the office of secretary, or which may be assigned from time to time by the Board of Directors.

(4) **Assistant Secretary:** the assistant secretary shall:

(a) perform the duties of, have the powers of, and be subject to all restrictions on, the secretary, in the event of his or her absence, inability, or refusal to discharge the duties of his or her office.

(b) have other powers and perform such other duties as may be prescribed by the President, Secretary, of Board of Directors, an in general for performing all duties incident to the office.

(5) **Treasurer:** the treasurer shall:

(a) keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

(b) be responsible for all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such depositories as shall be selected by the Board of Directors.

(c) disburse the funds of the Corporation as my be directed by the Board.

(d) render to the president and directors, whenever requested, upon reasonable notice, an account of all transactions as treasurer and of the financial condition of the corporation.

(e) prepare and certify the financial statement.

(f) in general, perform all duties incident to the office of treasurer and have such other powers, and perform such other duties as may be prescribed by the Board of Directors.

(6) **Assistant Treasurer:** the assistant treasurer shall:

(a) perform the duties of, have powers of, and be subject to all the restrictions on, the treasurer, in the event of his or her absence, inability, or refusal to discharge the duties of his or her office.

(b) have other powers and perform such other duties as may be prescribed by the President, Treasurer or Board of Directors, and in general for performing all duties incident to the office.

## **ARTICLE 6. COMMITTEES**

Section 1. Nominating Committee: the nominating committee shall:

A. be appointed annually by the president and shall consist of three (3) members: one (1) shall be a member of the Board of Directors and two (2) shall be non-members.

B. have a chairperson who shall be appointed by the President.

C. function until the close of the next annual meeting.

D. select persons to stand for election to the Board of Directors. The names of these persons shall be presented at the annual meeting.

E. help the Board of Directors in finding candidates for unfilled positions.

Section 2. Executive Committee

A. The executive committee shall be comprised of the officers of the Board of Directors.

Section 3. Other Committees

A. Other committees shall be appointed by the President of the Board of Directors from time to time as necessary to carry on the work of the Corporation.

## **ARTICLE 7. PARLIMENTARY AUTHORITY**

The rules contained in the current edition of Robert's Rules of Order, Newly Revised, shall govern the Corporation in all cases to which they are applicable, and in which they are not inconsistent with these Bylaws, and any special rules of order the Corporation may adopt.

## **ARTICLE 8. AMENDMENTS**

These Bylaws can be changed, amended, or repealed at a membership meeting by a majority vote, provided that the amendments have been submitted to the membership at least ten (10) days prior to the meeting.