

BY-LAWS  
OF  
SKY MESA PROPERTY OWNERS ASSOCIATION

ARTICLE I

Principal Offices

The principal offices for the transaction of the business of SKY MESA PROPERTY OWNERS ASSOCIATION (hereinafter called the "Association") is hereby fixed and located at 23575 Sky Mesa Road, Homeland, California. The Board of Directors is hereby granted power and authority to change said principal office from one location to another within the County of Riverside, State of California.

ARTICLE II

Purposes

The primary, specific and general purposes of the Association are set forth in the Articles of Incorporation of the Association. In consonance with these purposes, the Association shall maintain the road easements and the adjoining slope easements within the development.

ARTICLE III

Members

Section 1: Number of Members. There shall be one member for each legally created and recorded lot within Section 32, Township 4 South, Range 2 West in the County of Riverside, California, hereinafter sometimes referred to as "the Development". There shall

be no classification of memberships in the Association, and each membership shall be appurtenant to a lot in the development. There shall be no classification of memberships in the Association, and each membership shall be appurtenant to a lot in the development.

Section 2: Qualification of Members. Each person who is the owner of a fee simple interest in a lot in the development shall be entitled to a membership in the association and shall be a member of the Association; provided however, that such membership is not intended to apply to those who hold an interest in any lot merely as security for the performance of an obligation to pay money, i.e. mortgages, deeds of trust etc. In the event such interest is held in joint tenancy or tenancy in common, only one of such joint owners shall be a member of the Association. Such owners shall from time to time designate in writing one of their number to vote and exercise all of the rights of membership. The non-voting joint owner, however, shall be entitled to all of the benefits of membership of the Association subject to the By-Laws, rules and regulations as may be promulgated from time to time by the Board of Directors. Such non-voting owner shall be jointly and severally responsible for dues, assessments and charges levied against, incurred by, or attributed to the membership from which such member derives the rights and benefits referred to in this Section.

Section 3: Subdivider's Commitment. Assessments charged to unsold lots within the development which are subject to the power and authority of the Association shall be billed and charged

to the subdivider of the development which is Sky Mesa, a California limited partnership. Said subdivider shall have the obligation to pay the assessments on unsold lots within the development until the date of sale of each of the respective units. The term "successors in interest or assigns" of the subdivider, as used herein, shall not apply to purchasers of interest in individual lots from the subdivider.

Section 4: Transfer of Membership. Membership in the Association shall not be transferable except when the entire given lot has been validly conveyed by written instrument or by operation of law. Any transfer made in accordance with this section shall be effective only upon the filing of a written notice with said Board of Directors by the transferor, to the effect that said transferor gives up and relinquishes all such privileges, rights and incidents for the period during which said agreement, conveyance or assignment remains effective. In connection with any transfer pursuant to this section, the Association may charge the transferor-member a twenty-five dollar transfer fee for each transfer. The provisions of this section shall not apply to the subdividers or to their successors in interest or assigns.

Section 5. Suspension of Privileges. The Board of Directors may suspend the voting privileges of any member and the right to use any common facilities if such member should violate any of the provisions of the Declaration or these By-Laws. Before

any such suspension shall occur the Board shall give written notice to any such member accused of violating the Declaration or the By-Laws that such accusation has been made. Such notice shall be given at least fifteen days in advance of the time set for a hearing before the Board to determine whether such violation has occurred. Such notice shall specify the time and place of such hearing, and shall specify the nature of the charges brought against such accused member. If such accused member is found by the Board to have violated any of the provisions of the Declaration or these By-Laws, he or she shall have ten days within which to cure such violation before the Board shall suspend voting privileges and the privilege to use the common area. This paragraph shall not in any way limit any of the provisions of the Declaration and/or these By-Laws relating to any assessment levied against any members of the Association.

#### ARTICLE IV

##### Meeting of Members

Section 1: Place of Meeting. All annual meetings of members shall be held at the principal office of the Association, or at such other place within the County of Riverside, State of California, subject to the limitations herein, as may be fixed from time to time by the Board of Directors, and all other meetings of the members shall be held either at the principal office or at such other place within the County of Riverside, State of California, which may be designated by the Board of Directors pursuant to authority hereinafter granted to said Board. Any meeting is valid.

wherever held, if held by written consent of all members entitled to vote there at, given either before or after the meeting and filed with the Secretary of the Association.

Section 2: Annual Meetings. Annual meetings of the members shall be held during the month of May on a day fixed by the Board of Directors ~~at 8:00 P.M., local time of said day.~~\* Written notice of each annual meeting shall be given by the Secretary of the Association to each member entitled to vote, either personally or by mail. Notice shall be deemed to have been given if mailed to the address on file in the office of the Association as recorded for each member. All such notices shall be sent not less than fifteen nor more than sixty days before each annual meeting and shall specify the day and hour of such meeting.

Section 3: Special Meetings. Special meetings of members for any purpose whatsoever may be called at any time by the President or Board or by any two or more members thereof, or by one or more members holding not less than 20% of the voting power of the Association. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for the annual meetings. Notices of any special meeting shall specify in addition to the place, the day and the hour of such meeting and also the general nature of the business to be transacted.

Section 4: Adjourned Meetings. Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned

\* Removed by vote of the membership May 21, 2002, annual meeting.

from time to time by the vote of the members present or represented by valid proxy. By a majority vote the meeting may be adjourned to a time not less than forty-eight hours nor more than thirty days from the time the original meeting was called. In the absence of a quorum no business other than adjournment may be transacted.

Section 5: Entry of Notice. Whenever any member who is entitled to vote has been absent from any meeting of members, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to each member as required by law and the By-Laws of the Association.

Section 6: Quorum. The presence in person or by proxy of members entitled to vote in excess of one-half of the votes represented by all members of the Association shall constitute a quorum for the transaction of business.

Section 7: Consent of Absentees. The transaction of any meeting of members either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after a regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 8: Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by proxy in writing, said written authorization to be filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven months from the date of its execution, unless the member executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed two years from the date of its execution.

Section 9: Balloting. On all questions where a majority of the members deem it necessary, and in any event in the election or removal of members of the Board of Directors, ballots shall be cast secretly and in writing, folded in such a manner that the way in which the ballot is marked cannot be seen, and deposited into a receptacle. The ballots shall be counted immediately upon collection thereof by two members selected by the Chairman of the meeting. The Chairman shall announce the results of the balloting and the ballots may be inspected by any member.

Section 10: Action Taken Without a Meeting. The members shall have the right to take any action in the absence of a meeting which they would take at a meeting by obtaining the written approval of all the members. Any action so taken with such approval shall have the same effect as though taken at a meeting of the members.

## ARTICLE V

### Directors

Section 1: Powers. Subject to limitations of the Articles of Incorporation or the By-Laws, or the California Corporations Code

as to action to be authorized or approved by members, and subject to duties of the directors as prescribed by the By-Laws, all corporate powers shall be exercised by or under the authority of, and the business affairs of the Association shall be controlled by the Board of Directors; without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to wit:

(a) To select and remove all the other officers and agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the By-Laws, fix their compensation and require from them security for fine service;

(b) To conduct, manage and control the affairs and business of the Association, to maintain the easements for roads, the adjoining slopes and bridal paths within the development, if any, and to make such rules and regulations therefore not inconsistent with law, with the Articles of Incorporation or the By-Laws, as they may deem best;

(c) To contract and to levy assessments for maintenance of the easements for roads, the adjoining slopes and bridal paths, as established on any recorded map of any portion of the development, or any other document regulating the use of the development, and for the management and maintenance of the recreational facilities, if any, for the benefit of the members;

(d) To adopt, make and use a Corporate Seal, and to

prescribe the forms of certificates of membership, and to alter the form of such seal and such certificates from time to time as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law;

(a) To authorize the issue of memberships to such persons as shall be eligible for membership as Article III of these By-Laws;

(f) To appoint an executive committee, and to delegate to such committee, subject to the control of the Board of Directors, any of the powers and authority of said Board except the power to adopt, amend or repeal the By-Laws.

(g) To enforce the provisions of that Declaration of Covenants, Conditions and Restrictions recorded on December 31, 19 81, as Instrument No. 241332, Official Records of Riverside County, California (the Declaration) against the development;

(h) To contract and pay for maintenance, gardening, utilities, materials and supplies, and services relating thereto within the development and to employ personnel as reasonably necessary for the operation of the project including lawyers and accountants where appropriate;

(j) To pay taxes and special assessments which are or would become a lien on the property of the Association, if any.

(k) To contract and pay premiums for fire, casualty and liability and other insurance, including indemnity and other bonds, on said facilities, if any.

(1) To delegate its powers.

Notwithstanding any or all of the above foregoing powers, the Board of Directors shall not enter into any contracts which bind it or the Association for a period in excess of one year, unless reasonable cancellation provisions are included.

Section 2: Number of Directors. The Board of Directors shall consist of five directors until changed by amendment.

Section 3: Election, Term and Removal. The Directors shall be elected at each annual meeting of the members to serve for a term of one year, but if any such annual meeting is not held or the directors are not selected there at, the directors may be elected at any special meeting of members held for that purpose. Any director may be removed at any meeting of the members, however, unless the entire board is removed, an individual director shall not be removed if the number of votes voted against the resolution for his removal exceeds the quotient arrived at when the total number of outstanding votes entitled to vote is divided by one plus the number of directors authorized. All directors unless removed, shall hold office until their respective successors are elected. In any vote for the election or removal of more than one director, members shall be entitled to cumulate their votes; that is, all or any part of the total number of votes that any member has (based on one vote per member for each vacancy to be filled or director to be removed) may be cast for the election or removal of any one director. The first election shall be held at the first annual meeting which shall

be held during the month of May and not more than twelve months after the first sale in the subdivision has been recorded. The directors selected by the subdivider to serve only until said first annual election.

Notwithstanding anything to the contrary above should this voting procedure fail to result in the election of at least one director who is not an employee or agent of the declarant by reason of the owners other than the declarant not having a sufficient percentage of the voting power to elect such a director, the otherwise elected director receiving the least amount of votes shall be removed from the Board and an election for such director's post will be conducted wherein only owners other than the declarant shall have the right to vote. In case such special election is held the other provisions of this section, including but not limited to provisions for cumulative voting, shall govern.

Section 4: Vacancies. Vacancies in the Board of Directors may be filled by a majority of the remaining directors thoughtless than a quorum, and each director so elected shall hold office until his successor is elected at an annual meeting of the members or at a special meeting called for that purpose.

A vacancy or vacancies shall be deemed to exist in case of a death, resignation or sale of his residential estate by any director, or if the members shall increase the authorized number of directors, but fail at the time of this decision to elect the additional directors so provided for, or if the members shall fail to

elect the full number of authorized directors, or if a director is removed by the members.

The members may at any time elect directors to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the By-Laws is voted authorizing additional directors.

If any director tenders his resignation to the Board of Directors, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of the term of his office.

Section 5: Place of Meeting. All meetings of the Board of Directors shall be held at the principal office of the Association within the County of Riverside, or at any such place or places designated at any time by resolution of the Board or by written consent of all of its members.

Section 6: Organization Meeting. Immediately following each annual meeting of the members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meetings is hereby dispensed with.

Section 7: Other Regular Meetings. Other regular meetings of the Board of Directors may be held at such place and day and hour as may be fixed from time to time without call.

Section 8: Special Meetings. Special meetings of the Board for any purpose or purposes whatsoever may be called at any time by the Chairman of the Board or by any two directors and upon notice duly given in the manner prescribed for in Section 2 of Article IV of these By-Laws and specifying in addition to the place, the day and the hour of such meeting, the general nature of the business to be conducted there at.

Section 9: Majority Rule. Except as expressly provided elsewhere in these By-Laws, a simple majority of the directors present at any meeting duly held at which a quorum is present shall prevail on all questions.

Section 10: Election of Officers. All officers shall be chosen by vote of the Board of Directors, except such officers as may be appointed in accordance with Sections 3 and 5 of Article VI hereof.

Section 11: Acting by Written Consent. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as if taken by a unanimous vote of directors, if authorized in writing signed by all of the members of the Board. Such consent shall be filed with the regular minutes of the Board.

## ARTICLE VI

### Officers

Section 1: Officers. The President, Vice President, Secretary and Treasurer of the Association, and such other officers of this Association, having custody of or access to the funds of this

Association, shall obtain and furnish to this Association a bond from such bonding or insurance company and in such form as shall meet with the approval of the Board of Directors, for the true and faithful accounting of this Association of all of the funds of this Association in the custody of and, under the control of, each such officer and insuring this Association against loss for any breach thereof, the cost of all such bonds to be paid by this Association.

Section 2: Election: The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified, or his successor shall be elected and qualified.

Section 3: Subordinate Officers, etc. The Board of Directors may appoint such other officers as may be appointed as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board may from time to time determine.

Section 4: Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors, at any regular or special meeting of the Board.

Any officer may resign at any time by giving written notice to the Board of Directors or the President or the Secretary

of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein.

Section 5: Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner prescribed in the By-Laws for the regular appointments of such office.

Section 6: President. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be any such officer, the President shall be the chief executive officer of the Association, and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. He shall preside at all meetings of the members and in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. He shall be ex-officio member of all standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of President of an association, and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

Section 7: Vice President. In the absence or disability of the President, the Vice President designated by the Board, shall perform all the duties of the President, and when so acting shall have all of the powers of and be subject to all of the restrictions upon, the President.

Section 8: Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office of all meetings of directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present, at Directors meetings, the number of those present at members meetings, and in each case the proceedings thereof.

The Secretary shall keep or cause to be kept, at the principal office or at the office of the Association's transfer agent, a membership register showing the names of the members, their addresses and the property to which each membership shall relate, also the number of the membership and the number and date of cancellation of every membership certificate surrendered for cancellation.

The Secretary shall give or cause to be given notice of all meetings of members and of the Board of Directors as required by law to be given, and he shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

Section 9: Treasurer. The Treasurer shall keep or cause to be kept and maintained, adequate and correct amounts of the properties and business transactions of the Association. The books of accounting shall be open at all times for the inspection of any director. The Treasurer shall deposit all monies and other valuables

in the name of and to the credit of the Association with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors and shall render to the President and Directors whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and duties as may be prescribed by the Board or the By-Laws.

#### ARTICLE VII

##### Miscellaneous

Section 1: Record Date & Membership Register. The Board of Directors may fix a time, in the future, not exceeding fifteen days preceding the date of any meeting of members, and not exceeding thirty days preceding the date fixed for the payment of any distribution, as a record date for the determination of the members entitled to receive notice and to vote at any such meeting, or entitled to receive any such distribution, and in such case only members of record on the date so fixed shall be entitled to notice of and right to vote at such meeting, or to receive such distribution, as the case may be, notwithstanding any transfer of any membership on the books of the association after any record date fixed as aforesaid. The Board may close the books of the Association against transfers of memberships during the whole or any part of such period.

Section 2: Inspection of Corporate Records. The membership register, the books of account and minutes of the proceedings

of the members and directors shall be open to inspection upon written demand of any member, at any reasonable time and for a purpose reasonably related to his interests as a member, and shall be produced at any time when required upon demand of members entitled to cast at least ten percent of the votes represented at the previous annual members meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demands of inspection other than at a member's meeting shall be made in writing upon the President, Secretary or Assistant Secretary of the Association. Every such demand, unless granted, shall be referred to the Board of Directors.

Section 3: Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such a manner as shall be determined by resolution of the Board of Directors.

Section 4: Contract, Etc., How Executed. The Board of Directors, except as otherwise provided in the By-laws, may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power to bind the Association by any contract or agreement or engagement, or pledge its

credit, or render it liable for any purpose or to any amount.

Section 5: Audit of Accounts. All accounts of the Association shall be audited annually, as soon as is practicable after the close of the books for each year of operation, by an independent, recognized accounting firm, to be selected by the Board of Directors. The report of such audit shall be made available to each member within thirty days of completion.

Section 6: Damage to Association Property. In the event that any of the property of the Association is partially or totally damaged by fire or other casualty, the Board shall obtain an estimate or estimates of the cost to repair such damage, and a special meeting of the members shall be called forthwith. The members shall vote at such meeting whether or not to repair the damaged facilities using, insofar as possible, the proceeds of the insurance. In the event that a decision is made not to rebuild, any insurance proceeds shall be distributed in accordance with Article Nine of the Articles of Incorporation of the Association.

Section 7: Anti-Secrecy Clause. All of the meetings of the association of whatever nature when called as prescribed herein may be attended by any member in good standing, however, such a visiting member may demand to be heard, at a governing body meeting, only if authorized to speak by a majority vote of a quorum of the governing body.

ARTICLE VIII

Amendments.

Section 1. Powers of the Members. The By-Laws of this association may be adopted, amended or repealed either at a duly constituted meeting at which a quorum is present by a majority vote of the members present, or without a meeting by written assent of a majority of the members.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Temporary Secretary of Sky Mesa Property Owners Association, a California Corporation; and

That the foregoing By-Laws comprising of twenty pages, constitute the original By-Laws of said Corporation as duly adopted at the first meeting of the Board of Directors thereof duly held on the 31 day of January, 1981.

151 George A. MacLean  
Temporary Secretary

SKY MESA PROPERTY OWNERS  
ASSOCIATION  
STATEMENT OF AMENDED BYLAWS

The bylaws of Sky Mesa Property Owners Association were amended by vote of the members at the Annual General Meeting of 2012. The two amendments that were passed are below:

**Section 2: Number and Qualification of Directors. The Board of Directors shall consist of 5 directors. Directors shall be elected to two (2) year terms. So as to create staggered terms, at the annual meeting of the Association held May 29, 2012. The 3 candidates for election to the Board receiving the highest number of votes shall be elected to a term of two (2) years and the candidates receiving 4th and 5th highest number of votes shall be elected to a term of one (1) year. Thereafter, Members shall elect directors for a term of two (2) years to succeed directors whose terms have expired.**

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**Section 6. Quorum. The presence in person, by proxy or secret ballot of at least twelve percent (12%) of the members of the Association shall constitute a quorum for the transaction of business.**