



# ADMINISTRATION

## SUMMERFIELD HOMEOWNERS ASSOCIATION, INC.

### TABLE OF CONTENTS

Fiscal Year .....	p. 2
Dues .....	p. 2
Reserves .....	p. 2
Requesting Financial Reports .....	p. 3
Board of Directors .....	p. 3
Committees .....	p. 4
Election Policy .....	p. 5
Annual Meeting .....	p. 7
Requesting Amendments .....	p. 8

## **FISCAL YEAR**

The Summerfield Homeowners Association operates on July-June fiscal year.

## **DUES**

Homeowners are assessed annual dues in June of each fiscal year. Dues are payable by July 1. The Board strives to keep dues low while maintaining sufficient reserves for future maintenance and repairs of common area property.

### ***Policy On Late Payment Of Annual Dues***

*(Adopted by the Board of Directors September 1995)*

A \$25.00 late payment penalty, plus interest at 6% APR, will be applied for each month of non-payment starting with August 1st and will continue for up to 90 days or until payment is made, whichever comes first. Thereafter a claim will be filed in Small Claims Court against any homeowner who is delinquent over 90 days. Further, partial payments will not be accepted and the penalty, as stated above, will be applied on the first day of each month of delinquency and will not be pro-rated. *(See Summerfield CC&Rs: Article IV, Section 8.)*

## **RESERVES**

California Civil Code Section 1366(a) provides that the (a) association shall levy regular and special assessments sufficient to performance obligations under the governing documents. Additionally, Civil Code Section 1365.5(b)(5) provides that the board must adopt a reserve funding plan to meet the association's obligation for the repair and replacement of all major components. The plan must include a schedule of a date and amount of any change in regular or special assessments that would be needed to sufficiently fund the reserves. Finally, Civil Code Section 1365(b) provides that funding plans must be adopted in open meetings and distributed to all owners. However, at present, there is no statutorily mandated minimum amount of reserve funding in California.

The Summerfield Homeowners Association Board conducts a formal reserve study every three years and reviews the reserve funding plan annually. Copies of the reserve study are available from the Treasurer upon request.

## **REQUESTING FINICIAL REPORTS**

Summerfield HOA financial documents are available to homeowners upon request. To receive a copy, contact the board President or Treasurer.

## BOARD OF DIRECTORS

*From the Summerfield Homeowners Association Bylaws Article VII, Section 2:*

It shall be the duty of the Board of Directors to:

- a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or on any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c) as more fully provided in the Declaration to:
  - 1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - 2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
  - 3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
- d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g) cause the Common Area to be maintained.

*From the Summerfield Homeowners Association Bylaws Article VIII, Section 8:*

The duties of the officers are as follows:

### **President**

- a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, trust deeds, deeds and other written instruments and shall co-sign all checks and all promissory notes.

### **Vice-President**

- b) 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 exercise and discharge such other duties as may be required of him by the Board.

**Secretary**

- c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; 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.

**Treasurer**

- d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; prepare an annual operating statement reflecting income and expenditures of the Association for its fiscal year and distribute a copy of said statement to each member within ninety (90) days after the end of the fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

**COMMITTEES**

*Architectural Committee*

The main function of the Summerfield Architectural Committee is to review all planned architectural and color changes prior to commencement. This committee functions in accordance with Article V of the Declaration of Covenants, Conditions and Restrictions established for the “Summerfield Estates.” Article V governs all Summerfield properties. For more information, see the document titled “SHOA Architectural Standards.”

## **ELECTION POLICY**

*(Adopted by the Board of Directors May 22, 2008)*

The Summerfield Homeowner's Association is required by California Civil Code Chapter 4, Article 2 "Elections and Meetings", Section 1363.03 to adopt an election policy that adheres to the cited code and to our governing documents. This adopted policy is applicable to elections for assessments, Board members, amending governing documents and grants of exclusive use of common areas. Cumulative voting is allowed as defined in the Summerfield Homeowners Association's Bylaws, Article V, Section 2.

The policy is as follows:

### ***Nominations and Election of Directors***

As defined in our governing documents (Summerfield Homeowners' Association Bylaws, Article 5 Sections 1 and 2), nominations for election to the Board of Directors shall be made by a nominating committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. The Nominating Committee may solicit candidates for the Board of Directors through email and communications through the Association's website.

A candidate may be a member of the Association or from outside of the Association. If the candidate is a member of the Association, they must be in good standing with the Association, current on dues, assessments, and architectural standards. If a member or non-member would like to run for the Board of Directors, he or she must submit a letter to the Board indicating their intention to run for election. Each candidate will be given the opportunity to submit a short biography, qualifications and points of view for publication in our community newsletter and website at least 30 days prior to the election. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content. Association funds cannot be used for campaigning purposes. Campaigning purposes is defined as expressly advocating election or defeat of a candidate.

### ***Election Inspectors (Civil Code 1363.03 (a) (5))***

#### **1) Qualifications required:**

The Board of Directors will appoint three Ballot Inspectors as needed. The inspectors may solicit assistance if needed, but the designee must abide by the same requirements and qualifications as the Ballot Inspectors. The inspectors must be an independent third party. The inspectors may be a member of the Association, but may not be a member of the Board of Directors or a family member of the Board of Directors. An inspector cannot be a candidate for the Board of Directors or related to a candidate. The inspectors cannot have a contractual relationship with the Association.

**2) Job description:**

At the meeting, in a designated public area, the inspectors will review the ballots and proxies and determine the authenticity, validity and effect of the ballots and proxies received. No person can open or otherwise review any ballot prior to time and place at which the ballots are counted and tabulated. The inspectors will determine when the polls shall close. The members may not pressure or create an intimidating presence for the ballot inspectors. Ballots may not be revoked once received by the ballot inspectors. The board will provide documentation to the inspectors if a member's voting rights have been suspended and therefore disallowed from voting as defined in the Declaration of CC&Rs, Article II, Section 1.b. The inspectors will hear and determine all challenges and questions. The inspectors will perform all acts necessary to conduct the election with fairness to all members in accordance with this section. The inspectors will perform their duties impartially, in good faith, and to the best of his or her ability and as expeditiously as is practical. The inspectors will count, tabulate and determine the results of the election. The inspectors will report the results to the board of directors upon completion of the election process.

**3) Process:**

Two of the three inspectors will open the envelopes addressed to the Ballot Inspector and retrieve the inner envelope. These two inspectors will then compare the homeowner's information on the label of this envelope to the Association database worksheet provided by the secretary. The inspector will verify that a signature has been provided and that the envelope has not been tampered with. The two inspectors will annotate receipt of this envelope on the worksheet. The envelope will be opened to remove the envelope containing the ballot and then pass it on to the third ballot inspector. This inspector will open the envelope and record the votes on the form provided. One of the two inspectors mentioned above will verify the tabulated votes to ensure accuracy. The three inspectors will sign their name and date on the worksheet and form that contains the tabulated votes. The ballots and the envelope containing the members' addresses with signature will be retained. The outer envelope and unmarked ballot envelope will be discarded. Election results will be promptly delivered to the Board and recorded in the minutes of the next Board meeting and available for review by the members. Results will be communicated to the members within fifteen (15) days of the election. If the election is challenged, the ballots must be made available for review and inspection by the members.

***Ballots (Civil Code 1363.03 (e))***

Ballots will be mailed to each member of the Association not less than 30 days prior to the election. A separate post office box will be opened to receive ballots. Access to this post office box will be granted only to the Ballot Inspectors or their designees. In order to preserve confidentiality, a voter may not be identified by name, address, or lot on the ballot. The ballot itself is not signed by the voter. The steps in which to return the ballots are defined as follows:

- STEP 1: The completed ballot shall be inserted and sealed into the small blank envelope provided.
- STEP 2: The envelope containing the ballot identified above, shall be inserted and sealed in the larger envelope labeled with your name, address and signature line. Homeowners must sign their full name as indicated on the label.

- STEP 3: The envelope in Step 2 should be inserted into the envelope that is addressed to “Ballot Inspector/ Summerfield HOA.”
- STEP 4: Envelope should be returned via mail by the meeting date or brought to the meeting.

### ***Retention of Ballots***

The ballots and documentation must be held in custody by one of the ballot inspectors until the time allowed by *Section 7527 of the Corporations Code for challenging the election has expired*, and at which time custody will be transferred to the Association. Section 7527 states that the statute of limitations to challenge the validity of any election appointment or removal of a director, must be commenced within nine months after the election, appointment or removal of a director. If no such action is commenced, in the absence of fraud, any election, appointment or removal of a director is conclusively presumed valid nine months thereafter. After the transfer to the Association, the ballots shall be stored by the Association in a secure place for no less than one year after the date of the election.

### ***Proxies***

A proxy is defined as a written authorization signed by a member or the authorized representative of the member that gives another member or members the power to vote of the behalf of that member. Our governing documents (Bylaws Article III, Section 5) authorize the use of proxies, but generally speaking, the Association’s elections are administered by mail and therefore, voting on a particular item at the annual meeting would be considered an exception. However, in the event that voting on a particular item would be scheduled on the annual meeting agenda, proxies would be distributed on request. The member would contact the Secretary to obtain a proxy. This proxy would be handled in the following manner:

Any instruction given in a proxy issued for an election that directs the manner in which the *proxyholder* is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the *proxyholder* to retain. The *proxyholder* shall cast the member’s vote by secret ballot. *The proxy may be revoked by the member prior to the receipt of the ballot by the inspector of elections as described in Section 7613 of the Corporations Code.*

## **ANNUAL MEETING**

According to our Bylaws, the Summerfield Homeowners Association holds an annual meeting in May of each fiscal year. At this meeting, the Board presents a summary of community improvements and changes for the year, financial reports for the current fiscal year and a proposed budget for the new year.

**POLICY FOR REQUESTING AMENDMENTS TO THE SUMMERFIELD HOMEOWNERS ASSOCIATION CC&Rs**

*(Adopted by the Board of Directors March 5, 1997)*

The purpose of this policy is to define the notification and voting process for any Summerfield Association Member (the homeowner) who requests an amendment(s) to the Summerfield Homeowners Association CC&Rs in accordance with General Provisions, Article VII, Section 3 of the Summerfield Homeowners Association. This process will allow Summerfield Homeowner Association members to make informed decisions on the proposed amendments.

- 1) The homeowner will make the original request to amend the CC&Rs to the Board of Directors at the next scheduled board meeting.
- 2) The homeowner will give the board written notice of the proposed amendment(s) to be published in the next scheduled Summerfield Newsletter.
- 3) The Board of Directors will write a position statement regarding the proposed amendment(s). This statement will be published in the same Summerfield Newsletter as defined in item #2 above.
- 4) After the proposed amendment(s) and statement(s) have been published, the proponents of the amendment must submit to the board, a petition with at 45 Homeowners signatures in favor of the proposed change (one vote per household). Signatures will be verified by the Board of Directors. The petition will qualify interest of Association members to the proposed amendment(s). Those requesting the CC&R amendment(s) have 45 days after the distribution of newsletter to provide the Board of Directors with the signed petition. If the petition is not received by the Board of Directors, the Board will deny the request for a formal vote of the Homeowners on the proposed amendment.
- 5) After receipt of the valid petition fined in item 4, the Board of Directors will send out a draft\* of the proposed amendment, voting ballots, proxies and notification of the special meeting date and location, to all members of the Summerfield Homeowners Association.
- 6) If the required 75% of the members of the Summerfield Homeowners Association vote in favor of the proposed amendment, the Board of Directors will be required to implement the amendment as drafted.

\* The language of the drafted amendment will be done with the advice of legal council.