

**TABLE OF CONTENTS TO  
AMENDED BYLAWS OF  
HACIENDA CARMEL COMMUNITY ASSOCIATION**

Page Number

ARTICLE 1	NAME AND LOCATION .....	1
ARTICLE 2	DEFINITIONS .....	1
2.1	Additional Charges .....	1
2.2	Articles.....	1
2.3	Assessments .....	1
2.4	Association .....	1
2.5	Board of Directors .....	1
2.6	Bylaws .....	2
2.7	Civil Code .....	2
2.8	Committee of the Board .....	2
2.9	Common Area .....	2
2.10	Condominium .....	2
2.11	Contract Purchaser/Contract Seller .....	2
2.12	Corporations Code .....	2
2.13	Declaration .....	2
2.14	Governing Documents.....	2
2.15	Majority of a Quorum.....	2
2.16	Member .....	2
2.17	Member in Good Standing.....	3
2.18	Owner.....	3
2.19	Project .....	3
2.20	Proxy .....	3
2.21	Resident .....	3
2.22	Rules .....	3
2.23	Total Voting Power .....	3
2.24	Unit.....	3

ARTICLE 3	MEMBERSHIP; TRANSFER OF MEMBERSHIP; QUALIFICATION OF RESIDENTS.....	4
3.1	Membership Appurtenant to Unit Ownership.....	4
3.2	Membership Does Not Grant Right of Occupancy; Qualification of Residents.....	4
3.3	Owner’s Address for Notice.....	4
3.4	Notice of Transfer of Title.....	4
3.5	Proof of Membership.....	5
ARTICLE 4	VOTING RIGHTS.....	5
4.1	Voting Rights; Joint Owners.....	5
4.1.1	One Vote per Unit.....	5
4.1.2	Joint Owners.....	5
4.1.3	Trusts, Other Entities.....	5
4.1.4	Conservator, Guardian, Executor.....	5
4.2	Record Date for Voting.....	5
ARTICLE 5	VOTING BY MEMBERS.....	6
5.1	Voting by Members.....	6
5.2	Proxies Are Prohibited.....	6
5.3	Inspector(s) of Election.....	6
5.4	Voting and Election Rules.....	6
5.5	Open Forums.....	6
5.6	Quorum Requirements.....	7
5.6.1	Election of Directors.....	7
5.6.2	Assessment Votes.....	7
5.6.3	All Other Member Votes.....	7
5.6.4	Meetings to Count Ballots.....	7
5.7	Act of Members Requires Majority of a Quorum.....	7
5.8	Results of Membership Votes.....	7
5.9	Meetings of Members.....	8
5.10	Place of Member Meetings.....	8
ARTICLE 6	BOARD OF DIRECTORS, NOMINATION, SELECTION, TERM OF OFFICE, REMOVAL.....	8
6.1	Number of Directors.....	8
6.2	Annual Election of Directors.....	8
6.3	Qualification of Directors.....	8
6.4	Nomination Procedures.....	8

6.4.1	By Nominating Committee.....	9
6.4.2	By Self Nomination.....	9
6.5	Deadline for Nominations .....	9
6.6	Publication of Deadline for Nominations.....	9
6.7	Election by Acclamation .....	9
6.8	Candidate Night.....	9
6.9	Notice of Known Candidate Names.....	9
6.10	Voting for Directors; No Cumulative Voting Permitted; No Write-Ins .....	10
6.11	Tied Votes .....	10
6.12	Election and Term of Office.....	10
6.13	Director Term Limits .....	10
6.14	Removal of Directors by the Members .....	10
6.15	Reduction of Number of Directors .....	10
6.16	Vacancies, Resignation, Disqualification of Directors.....	10
6.16.1	Resignation .....	10
6.16.2	Disqualification of a Director.....	11
6.16.3	Failure to Perform Duties .....	11
6.17	Filling Vacancies .....	11
6.18	Removal of Entire Board; Replacement Directors .....	11
6.19	No Compensation of Directors .....	12
6.20	Directors' Standard of Care.....	12
6.21	Limitation of Liability of Officers and Directors.....	12
ARTICLE 7	MEETINGS OF DIRECTORS.....	12
7.1	Definition of Meeting of the Board .....	12
7.2	Organizational Meeting .....	12
7.3	Regular Meetings of the Board.....	12
7.4	Special Meetings of the Board.....	13
7.5	Notice to Directors.....	13
7.6	Notice to Members; Agenda .....	13
7.7	Open Meeting.....	13
7.8	Executive Session .....	13
7.9	Remote Participation .....	14
7.10	Quorum .....	14
7.11	Voting by Directors .....	14
7.12	Board Action Without a Meeting.....	14
7.13	Minutes of Meetings of Directors .....	14
ARTICLE 8	DUTIES OF THE BOARD OF DIRECTORS.....	15
8.1	Supervision.....	15
8.2	Records and Minutes .....	15
8.3	Maintain Insurance .....	15

8.4	Enforcement of Governing Documents .....	15
8.5	Mandatory Notices and Disclosures to Members; Electronic Notice .....	15
8.6	Annual Pro Forma Operating Budget .....	16
8.7	Annual Notification Regarding Insurance Coverage.....	16
8.8	Notice of Certain Changes in Insurance .....	16
8.9	Other Annual Notifications to Members .....	16
8.9.1	Notice Regarding Delinquent Assessment Policy.....	16
8.9.2	Secondary Address for Certain Notices .....	17
8.9.3	Notice Regarding Dispute Resolution.....	17
8.9.4	Notice of Required Architectural Approval.....	17
8.9.5	Notice Regarding Board Meeting Minutes .....	17
8.9.6	Schedule of Monetary Penalties .....	17
8.9.7	Statutory Notice Regarding Liens and Foreclosure.....	18
8.10	Notice of Assessments; Collection of Assessments .....	18
8.11	Items Specified in Civil Code section 1368(a) .....	18
8.12	Review of Annual Financial Statement.....	18
8.13	Quarterly Review of Accounts .....	18
8.14	Biennial Notice to Secretary of State.....	18
8.15	Three-Year Reserve Study and Annual Review .....	18
8.16	Prudent Management of Reserve Funds.....	19
ARTICLE 9	POWERS OF THE BOARD OF DIRECTORS .....	19
9.1	Make Contracts .....	19
9.2	Consult Professional Advisors.....	19
9.3	Hire a Manager and Others .....	19
9.4	Adopt and Enforce Rules.....	19
9.5	Collect Assessments by Foreclosure and/or Legal Action.....	19
9.6	Impose Sanctions.....	20
9.7	Pay Property Taxes .....	20
9.8	Deal with Association Property; Certain Limitations .....	20
9.9	Open Bank Accounts, Borrow .....	20
9.10	Pledge Assessments as Security .....	20
9.11	Invest Reserve Funds .....	21
9.12	Indemnify Agents.....	21
9.13	Mergers .....	21
9.14	Other Powers and Duties .....	21
ARTICLE 10	COMMITTEES.....	21
10.1	Appointment of Committees, Generally .....	21
10.2	Committees of the Board.....	22
10.3	Appointment, Composition, and Term of Standing Committees .....	22
10.4	Action by Committees .....	22
10.5	Records of Committee Proceedings.....	22

10.6	Welcoming Committee .....	22
10.7	Finance Committee .....	22
10.8	Investment Committee.....	23
10.9	Building and Grounds Committee.....	23
ARTICLE 11	OFFICERS AND THEIR DUTIES .....	24
11.1	Enumeration of Officers.....	24
11.2	Appointment of Officers .....	24
11.3	Term .....	24
11.4	Special Appointments.....	24
11.5	Resignation and Removal .....	24
11.6	Vacancies.....	24
11.7	Multiple Offices.....	24
11.8	Authority to Bind Association.....	25
11.9	No Compensation of Officers .....	25
11.10	President .....	25
11.11	Vice-President.....	25
11.12	Secretary .....	25
11.13	Treasurer.....	26
ARTICLE 12	MINUTES; BOOKS AND RECORDS; FUNDS .....	26
12.1	Minutes of Meetings .....	26
12.2	Member Access to Minutes, Books, and Records .....	26
12.3	Directors' Inspection Rights.....	27
12.4	Checks, Drafts, and Evidences of Indebtedness .....	27
12.5	Funds and Deposits .....	27
12.6	Fiscal Year .....	27
ARTICLE 13	AMENDMENTS .....	27
13.1	Amendments Generally .....	27
13.2	Record of Amendments.....	28
ARTICLE 14	MISCELLANEOUS .....	28
14.1	Conflict in Governing Documents .....	28
14.2	Amendments to Referenced Statutes; Time for Performance .....	28

---

## AMENDED BYLAWS OF HACIENDA CARMEL COMMUNITY ASSOCIATION

### ARTICLE 1            NAME AND LOCATION

---

The name of the corporation is HACIENDA CARMEL COMMUNITY ASSOCIATION, which is hereinafter referred to as the "Association." The principal office of the Association shall be located in Monterey County, California or at such other place reasonably convenient to the Project as the Board of Directors may from time to time establish.

### ARTICLE 2            DEFINITIONS

---

Any capitalized terms that are not defined below shall have the meaning set forth in Article 1 of the Declaration ("Definitions").

- 2.1 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures including, but not limited to, interest, late charges, attorneys' fees, recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments.
- 2.2 Articles. "Articles" shall mean the Amended Articles of Incorporation of Hacienda Carmel Community Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.
- 2.3 Assessments. "Assessments," "Annual Assessments," "Special Assessments," "Reimbursement Assessments," and "Enforcement Assessments" shall have the meanings defined for those terms in the Declaration.
- 2.4 Association. "Association" shall mean Hacienda Carmel Community Association, a California nonprofit mutual benefit corporation, its successors and assigns.
- 2.5 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.

- 2.6 Bylaws. "Bylaws" shall mean the Amended Bylaws of the Association as they shall be duly adopted by the Board of Directors and the Members and any duly-adopted amendments thereof.
- 2.7 Civil Code. "*Civil Code*" shall mean the California *Civil Code* as amended from time to time.
- 2.8 Committee of the Board. "Committee of the Board" shall mean a committee consisting only of directors as described in *Corporations Code* section 7212.
- 2.9 Common Area. "Common Area" shall mean all of the property comprising the Project that is owned by all of the Owners in common but excluding the Units and all real property owned or held by the Association from time to time for the common use and enjoyment of the Owners and Residents of the Project.
- 2.10 Condominium. "Condominium" shall mean an estate in real property, as defined in *Civil Code* sections 783 and 1351(f), consisting of an undivided interest in all or any portion of the Common Area together with a separate fee interest in a Unit and all easements or other interests appurtenant thereto.
- 2.11 Contract Purchaser/Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller, respectively, under an installment land contract in which title to the property is transferred after the final installment payment is made.
- 2.12 Corporations Code. "*Corporations Code*" shall mean the California *Corporations Code* as amended from time to time.
- 2.13 Declaration. "Declaration" shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hacienda Carmel, recorded in the Office of the County Recorder of Monterey County, California, and any duly recorded amendments thereof.
- 2.14 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, and Rules (including but not limited to the Senior Housing Residency Restrictions).
- 2.15 Majority of a Quorum. "Majority of a Quorum" shall mean a majority of the votes cast in any lawful vote or election by the Members in which the number of ballots cast equals or exceeds the number required to establish a quorum.
- 2.16 Member. "Member" shall mean an Owner.

- 2.17 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all Assessments and Additional Charges imposed in accordance with the Governing Documents and who is in compliance with all of the provisions of the Governing Documents. A Member shall be deemed to be in Good Standing unless, after notice and an opportunity for hearing, pursuant to Article 12 of the Declaration ("Enforcement; Notice; Hearings"), the Board has found the Member to be not in Good Standing and has so notified the Member in accordance with *Civil Code* section 1363(h).
- 2.18 Owner. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Condominium, including Contract Sellers but excluding Contract Purchasers, and excluding those persons having such interest merely as security for the performance of an obligation.
- 2.19 Project. "Project" shall mean all of the real property described in the Declaration as comprising the Hacienda Carmel condominium project, and any additional real property as may hereafter be brought within the jurisdiction of the Association.
- 2.20 Proxy. See Section 5.2 ("Proxies Are Prohibited").
- 2.21 Resident. "Resident" shall mean any person who resides in a Unit within the Project whether or not such person is an Owner.
- 2.22 Rules. "Rules" shall mean the policies, rules, and regulations governing the administration, management, operation, use, and occupancy of the Project, including the use of the Common Area and facilities, the personal conduct of Members and Residents, members of their household, pets, tenants, invitees, and guests within the Project, enforcement of the Governing Documents, and any other matter that is within the jurisdiction of the Association, as adopted, published, or amended by the Board from time to time and subject to applicable law including *Civil Code* section 1357.100 et seq.
- 2.23 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one vote for each Unit, excluding any Units as to which an Owner is not then a Member in Good Standing.
- 2.24 Unit. "Unit" shall mean the elements of a Condominium that are not owned in common with the Owners of other Condominiums in the Project, as more particularly set forth in the Declaration. There are 300 Units in the Project.



## ARTICLE 3

## MEMBERSHIP; TRANSFER OF MEMBERSHIP; QUALIFICATION OF RESIDENTS

---

- 3.1 Membership Appurtenant to Unit Ownership. Membership in the Association shall include, and shall be limited to, all Owners of any Unit located within the Project. Membership shall be appurtenant to and may not be separated from ownership of a Unit. Upon becoming the Owner of a Unit, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as his or her Unit ownership ceases for any reason. Membership in the Association shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Unit to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Unit. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a Unit, including a transfer upon the death of an Owner, Membership in the Association shall pass automatically to the transferee.
- 3.2 Membership Does Not Grant Right of Occupancy; Qualification of Residents. Membership in the Association and Ownership of a Unit does not grant the Member the right of occupancy of that Unit or any other Unit within the Project. All prospective Residents must be approved by the Board in advance as provided in Section 5.1 of the Declaration ("Senior Citizen Residential Use; Qualification for Residency").
- 3.3 Owner's Address for Notice. It shall be each Owner's responsibility to notify the Association in writing of any change in the Owner's address for the purpose of receiving notices from the Association. The fact that a different address appears on correspondence to the Association from an Owner shall not constitute such written notice, unless it is expressly stated that such address is a change of address for the purpose of receiving notice from the Association.
- 3.4 Notice of Transfer of Title. Upon transfer of title to a Unit, the transferee shall be responsible for notifying the Association in writing of such transfer. The notification shall set forth the address of the Unit, the names of the transferee and the transferor, and the date of sale or other transfer. Prior to receipt of such notification, any and all communications required or permitted to be given by the Association or the Board to the Unit Owner shall be deemed to be duly made and given to the transferee if duly and timely made and given to the person shown as the Owner of the Unit and at the address in the Association's records.

- 3.5 Proof of Membership. No person shall exercise the rights of a Member until satisfactory proof of membership has been furnished to the Association. Such proof may consist of either a duly-executed and acknowledged grant deed or a title insurance policy showing that the person is an Owner as defined in Section 2.18 ("Owner"). Such deed or policy shall be deemed conclusive proof of ownership in the absence of a conflicting claim based on a later deed or policy.

## **ARTICLE 4                    VOTING RIGHTS**

---

### 4.1 Voting Rights; Joint Owners.

4.1.1 One Vote per Unit. Only Members in Good Standing shall be entitled to vote on any issue or matter presented to the Members for approval or Membership vote. Members in Good Standing shall be entitled to cast one vote for each Unit owned.

4.1.2 Joint Owners. In the event more than one person owns a given Unit, the vote for such Unit shall be exercised as the Owners among themselves shall determine, but in no event shall more than one vote be cast with respect to any Unit. If the joint Owners are unable to agree among themselves as to how their vote or votes are to be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Unit.

4.1.3 Trusts, Other Entities. In the case of a Unit Owner that is a trustee or is not a natural person (such as a corporation or other entity), the vote of such Owner may be cast by any authorized representative of the Owner designated by notice in writing to the Association.

4.1.4 Conservator, Guardian, Executor. The power to cast a particular Member's vote may be exercised by (i) the Member's conservator, (ii) the guardian of the Member's estate, or (iii) the executor or administrator of a deceased Member's estate if the Member's interest in the Unit is subject to administration in his or her estate.

4.2 Record Date for Voting. Consistent with *Corporations Code* section 7611(b), the Board may fix a date not more than sixty (60) days before the date of any mailing or delivery of ballots as the record date for determining Members entitled to vote and only Members in Good Standing as shown

in the records of the Association as of the record date for voting shall be entitled to vote in such vote or election. If no record date for voting is set by the Board, Members in Good Standing on the day of the mailing or delivery of ballots shall be entitled to vote in such vote or election.

## **ARTICLE 5                    VOTING BY MEMBERS**

---

- 5.1 Voting by Members. All membership votes, including any vote pursuant to a written request of Members as described in *Corporations Code* section 7510(e), shall be by "secret ballot" pursuant to *Civil Code* section 1363.03; *provided, however*, that in the case of a membership vote on any matter not specified in *Civil Code* section 1363.03(b), the deadline for returning a secret ballot may be a reasonable time that may be less than thirty (30) days. Voting by the method described in *Corporations Code* section 7513 shall not be permitted.
- 5.2 Proxies Are Prohibited. Use of proxies in connection with membership votes or membership meetings is expressly prohibited. "Proxy" shall mean a written authorization signed by a Member or a Member's attorney in fact giving another person or persons power to vote for such Member, as defined in *Corporations Code* section 5069, other than a designated authorized representative casting a vote pursuant to Section 4.1.3 ("Trusts, Other Entities"), above.
- 5.3 Inspector(s) of Election. To the extent required pursuant to *Civil Code* section 1363.03(c), prior to any election or vote by the Members, the Board shall appoint one or three inspectors of election, whose powers and duties shall be as set forth in such statute.
- 5.4 Voting and Election Rules. The Board shall adopt Rules governing membership voting and elections of Directors in conformity with *Civil Code* section 1363.03.
- 5.5 Open Forums. Notwithstanding the provisions of Section 5.1 ("Voting by Members"), the Secretary of the Association shall be entitled to call informal meetings of the Members, to be known as Open Forums, for the purpose of discussing problems common to Members residing in one particular area within the Project property or problems common to all Members. Open Forums shall be called on written notice delivered to all interested Members at least five (5) days before the date of the Open Forum. The notice shall set forth the date, time, and place of the Open Forum and the general nature of each item to be discussed. The Members may discuss at an Open Forum any topic that has been noticed, but no formal action of the Members may be taken, such action being