

*Del Mesa Carmel  
Community Association, Inc.*

**Bylaws**

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 California 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.

# *Bylaws of Del Mesa Carmel Community Association, Inc.*

## ARTICLE I

### Definitions

Certain terms as used in these Bylaws shall be used with the following respective meanings unless the context indicates a different meaning therefore:

1. **Declaration of Restrictions.** "Declaration of Restrictions" shall mean that specific Declaration of Protective Restrictions recorded in the Office of the County Recorder, Monterey County, California, on 1/31/2017 as Document Number 2017005831 of Official Records, Monterey County, and which Declaration of Protective Restrictions is attached to these Bylaws as Exhibit "A" and incorporated by reference herein as if fully stated. These Bylaws are expressly made subject to this Declaration of Protective Restrictions and anything in these Bylaws which is inconsistent with said Declaration shall be void and ineffective.

2. **Davis-Stirling Common Interest Development Act.** "Davis-Stirling Common Interest Development Act" means the Act as presently found at California Civil Code Section 4000 et seq as the same may be hereafter amended (hereafter D-S). These Bylaws are expressly made subject to D-S and other applicable laws and anything in these Bylaws which is inconsistent with said laws shall be void and ineffective.

3. **Restrictions.** "Restrictions" shall include all restrictions, conditions, reservations, covenants, servitudes, liens, and charges contained in the Declaration referred to in Definition 1.

4. **Unit.** "Unit" means the elements of a condominium which are not owned in common with the Owners of other condominiums in this development. The boundaries of the individual units in the development are as described in the condominium plan. Each unit includes the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof and the air space so encompassed, plus the fireplaces, including the flues and chimneys thereof. Not included in a unit is the air space lying between the upper vertical boundary of the unit and the interior finished surface of the ceiling, and the bearing walls, columns, sub-flooring, roofs, foundations, central heating, pipes, ducts, other flues, conduits, wires, and other utility installations, wherever located, except the outlets thereof when located within the unit

5. **Common Area.** As defined in the Declaration of Protective Restrictions this term refers to all areas covered by the Declaration of Restrictions which do not fall within the definition of "unit."

6. **Owner.** "Owner" shall mean the record Owner of any unit or units as shown on the records of the County Recorder of the County of Monterey, California, including the

Association insofar as the Association holds record title to any portion of the subject property; and the Owner of each unit shall also own an undivided 1/289 interest in the common area as herein defined.

7. **Declarant.** "Declarant" as used herein shall mean the Association.

8. **Recorded, Recording and of Record.** "Recorded," "recording," and "of record" shall mean recorded, recording, or of record in the Office of the County Recorder of Monterey County, California.

9. **General and/or Special Charges and Assessments.** "General and/or Special Charges and Assessments" shall mean and include all general and/or special charges and assessments to which the property under the jurisdiction of this Association is or may be subject under and pursuant to the Declaration of Protective Restrictions.

10. **Member or Membership.** The term "Member" as used in the Bylaws shall refer only to all Owners of record of units in Del Mesa Carmel, and to their resident spouse or resident domestic partner. A "Member" or "Membership" shall mean, respectively, a Member of or Membership in this Association.

11. **Person.** "Person" shall include an individual person, a partnership, an Association, and a corporation unless the context indicates a contrary meaning.

12. **Articles of Incorporation.** "Articles of Incorporation" shall mean the Articles of incorporation of this Association as the same may be amended from time to time.

13. **Bylaws.** "Bylaws" shall mean these Bylaws as the same may be amended from time to time.

14. **Occupant or Resident.** "Occupant" or "Resident" shall mean any natural person residing in a unit as set out hereafter in ARTICLE II, Section 6.

15. **Singular and Plural, Masculine, Feminine and Neuter.** In these Bylaws, the singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine and neuter when the context so requires.

16. **Association, or the Association,** shall refer to Del Mesa Carmel Community Association, Inc. which also is referred to in various places in these Bylaws as "this Association."

17. **Board.** "Board" means the Board of Directors of the Association.

18. **Board Meeting.** "Board Meeting" means a congregation, at the same time and place, of a sufficient number of Board Members to establish a quorum of the board, to hear, discuss, or deliberate upon any item of business that is within the authority of the Board, in accordance with D-S Section 4090.

19. **Individual and General Delivery.** "Individual Delivery" includes delivery by mail, email or other electronic means. "General Delivery" includes delivery by Individual Delivery, inclusion in a newsletter or other document, or posting in a prominent location. Details are in Section 4040 (a) and 4045 (a) of D-S.

20. **Transfer Charge.** "Transfer Charge" shall be a charge, in an amount to be determined from time to time by the Board of Directors, to defray those costs incurred by the Association when Ownership of a unit is transferred.

21. **In Good Standing.** "In Good Standing" refers to those Owners, Members and other occupants who are current in assessment payments and not in violation of any governing documents.

22. **Committee.** A Committee is an organization which provides a service to the residents of Del Mesa Carmel and is appointed by the Board.

23. **Charter.** A document approved by the Board which specifies the duties of a Committee.

## **ARTICLE II**

### **Membership and Occupancy**

#### **Section 1. Members.**

a. The Association shall have one class of Members.

b. While there may be more than one Owner of record of each unit, the total number of votes which this Association shall have shall not be more than 289. The rights and interests of all Members shall be equal and identical, excepting only as to voting and assessments, or as hereinafter provided.

#### **Section 2. Qualification for Membership.**

a. Each Owner of record in the Office of the County Recorder of Monterey, California, of one or more living units which is subject to the jurisdiction of this Association shall be a Member of this Association, provided and expecting that Membership shall only continue for so long as such Ownership shall continue.

b. With regard to any unit owned of record by more than one Owner, all Owners shall enjoy the rights of Membership.

c. Each unit shall be entitled to one vote which may be cast by any one of its Owners.

**Section 3. Termination of Membership.**

When a person is no longer the record Owner of a unit or units, their Membership in the Association shall terminate.

**Section 4. Death of a Member.**

Membership in this Association shall not terminate upon the death of an Owner, but rights, responsibilities and obligations shall be transferred to his executor or other legally designated representative.

**Section 5. Fees, Dues, and Assessments.**

The living units (embraced within the property which is subject to the jurisdiction of this Association owned of record by the Owners of this Association) shall be subject to such uniform charges and assessments and for interest and/or late charges and legal fees for the late payment or nonpayment thereof as shall from time to time be determined by the Board of Directors by resolution duly adopted at any Meeting, all subject, however, to any limitations contained in D-S and the Declaration of Protective Restrictions and applicable provisions of the California Civil Code relating to Association assessments, affecting property over which this Association has jurisdiction. Each Owner shall be liable for the payment thereof as and to the extent that the same relate to a unit owned by such Owner. Upon the failure of any Owner to pay any and all charges and assessments and any interest, and/or late charges and legal fees thereon when due, the same shall be enforceable against the particular units subject to the same manner as is provided for the foreclosure of a mortgage upon real property by the laws of the State of California as at the date of commencement of such foreclosure action.

**Section 6. Limitation of Occupancy.**

a. Ownership of a unit (or Membership in the Association) does not of itself carry the right to occupy the unit on a permanent basis. The Owner or other occupant must be either a qualifying resident or qualified permanent resident as defined by California Civil Code § 51.3, as amended, and shall meet all other requirements for occupancy set forth herein and in the Declaration of Protective Restrictions.

b. In addition, no Owner may permit any other person to reside in or occupy the unit on a permanent basis unless the prospective resident shall have obtained the written consent of the Association as provided in Article III, Section 3 (b) of the Declaration of Protective Restrictions.

## ARTICLE III

### Voting Rights and Member Meetings

#### Section 1. Voting Rights.

a. The Voting Rights of this Association shall be vested in the Owners as defined in Section 2b and 2c of ARTICLE II of the Bylaws. Owners who own more than one unit shall be entitled to one vote per unit.

b. The voting on election of Directors or on amendment of the Bylaws shall be by written ballot as provided in Section 5 of ARTICLE IV and Section 3 of ARTICLE XI of the Bylaws. On any other matter that may be presented at a meeting, voting shall be by voice unless the presiding officer shall otherwise determine.

c. Cumulative voting and voting by proxy are not permitted.

d. Any matter that may be adopted at a meeting of Members may be adopted without a meeting with the written consent of a majority vote (145 or more).

#### Section 2. Member Meetings.

a. An annual meeting of the Members of the Association for announcement of the results of the election of the Board of Directors and for transaction of all other business as may properly be brought before the meeting shall be held during February of each year at a date and hour to be set by the Board at its January Meeting.

b. The annual Members meeting shall be conducted by the outgoing President, or in his absence, by another qualified outgoing officer.

c. All Member Meetings shall be conducted in accordance with D-S, using recognized Parliamentary procedures selected by the Board. Owners will be permitted to speak in accordance with reasonable rules and time limits established by the Board.

#### Section 3. Notice of Member Meetings.

The Secretary shall cause written notice of each annual Members meeting, stating the place, date, and hour thereof, to be delivered to the Members by individual delivery not less than fifteen days nor more than sixty days preceding the day of such meeting.

#### Section 4. Member Meetings.

a. Meetings of Members may be called by the President or by the Board of Directors at any time. The Board of Directors shall call a Meeting of the Members whenever requested in writing to do so by twenty-percent (20%) of the Owners of the Association.

b. No business shall be transacted at any Member Meeting except as shall have been specified in the notice.

**Section 5. Place of Member Meetings**

Meetings of Members shall be held at the Clubhouse unless the facilities are not suitable for such a meeting. The Board of Directors shall specify another place within a distance of not more than 10 miles from the Clubhouse.

**Section 6. Quorum.**

Ballots representing one hundred and sixteen (40% of 289) Owners who vote on an election or other ballot shall constitute a quorum for a decision on that ballot. Owners representing one hundred and sixteen (40% of 289) Units who are present at the meeting shall constitute a quorum for the transaction of other business at that meeting except as otherwise provided in the Declaration of Protective Restrictions. Only Owners may vote at Member meetings. If a quorum is not achieved, at the option of the Board the meeting may be adjourned or continued to a later date of which notice shall be given to Members not less than three days prior to the new date.

**Section 7. Qualification Date.**

a. The Board of Directors shall fix a date, not more than 30 days and not less than 15 days preceding the date of any meeting of Members as a record date for the determination of the Owners entitled to notice of and to vote at any such meeting, and in such case only persons so entitled on the date so fixed shall be entitled to notice of and to vote at any such meeting.

b. The time so fixed shall be referred to as the "qualification date."

**Section 8. Address of Owners and Members.**

It shall be the duty of each Owner to keep the Association advised as to the correct name and address of each Owner and Member from time to time.

**ARTICLE IV**

**Board of Directors**

**Section 1. Number and Powers.**

a. The Board of Directors shall consist of seven resident Members. The powers of the Association shall be exercised by or under the authority of, and all of the affairs of the Association shall be controlled by, the Board of Directors, subject, however, to the rights of Members provided for herein, in the Articles of Incorporation, and Bylaws, and subject also to all of the restrictions, provisions, and limitations contained in the Declaration of Protective Restrictions.

b. When an unplanned expenditure is proposed that will cost in its entirety a sum equal to or greater than one month's current total maintenance fee, the Board of Directors shall:

(1) approve such proposal by at least five (5) affirmative votes.

(2) fully inform the Membership by individual delivery at least two weeks before such expenditures are fully contracted for.

### **Section 2. Qualifications.**

Each Director shall be and remain a resident Member of the Association. No renter may serve on the Board of Directors.

### **Section 3. Term of Office.**

a. A Director shall be elected to serve a term of two (2) years.

b. Just preceding the Annual Membership Meeting any vacancies about to be created by expiring terms of Members of the Board of Directors then in office shall be filled by election as provided in Sections 4 & 5 following. Elections will be staggered, with three of seven Directors elected one year and four of seven the next.

c. No Director may serve more than two (2) full terms plus two unexpired terms created by a vacancy. The filling of an unexpired term of another Director does not count as a full term.

### **Section 4. Nominating of Candidates for Directors.**

a. The Nominating Committee consisting of five (5) resident Members, is appointed by the Board of Directors no later than the August Regular Board Meeting. The Committee shall invite Members to submit names of potential nominees to the Committee for its consideration. This Committee shall prepare and submit a list of at least one candidate for each vacancy on the Board.

b. The list of candidates submitted by the Nominating Committee for election by Owners shall be designated as the Nominating Committee's ticket and shall be posted on the Clubhouse bulletin board and provided to Members on or before December 20th of each year prior to the Annual Meeting.

c. A Member may self-nominate to be a candidate for Director. Such nominations shall be in writing and shall be filed with the Secretary by January 1st of each year to allow time for inclusion on the ballot, and provided to Members and posted upon the bulletin board by February 1st of each year.

d. No incumbent Director or nominee shall serve on the Nominating Committee. A Member of the Nominating Committee must withdraw from the Committee before being selected by the Committee as a nominee, and a replacement must be selected by the Board of Directors.



e. No nominations for the Board of Directors other than as herein provided shall be valid.

**Section 5. Election of Directors.**

a. Prior to any election the Board of Directors shall name an Election Committee of three (3) resident Members of the Association and name one as Chairman. The Board may also select additional resident Members as alternate Committee Members should the need arise. Prior to the election the Secretary of the Association shall:

- (1) prepare a list of all Owners In Good Standing who are thus eligible to vote at the election and shall deliver a copy of said list to the Chairman of the Elections Committee.
- (2) prepare the ballot for the election. The names of the candidates shall be listed in alphabetical order on the ballot. Candidates nominated by the Nominating Committee are to be clearly indicated on the ballot.
- (3) cause to be delivered to the Owners In Good Standing of each unit:
  - (a) A ballot.
  - (b) An envelope marked "ballot" addressed to the Association with line for the Owner's signature and unit number.
  - (c) A concise statement of biographical information about each candidate.
  - (d) Instructions for completing and casting the ballot.

b. Voting for Directors shall be only by sealed ballot cast on or before the day of the Annual Meeting. Ballots may be cast by United States mail, by placing in a designated ballot box in the Del Mesa Carmel office, or by personally delivering to the Election Committee.

c. All sealed ballots, whether mailed or delivered in person, must be received by the Election Committee by noon on the day of the Annual Meeting at which time the voting polls are closed.

d. Three Members of the Election Committee shall be present at the Polls when:

- (1) the validity of returned envelopes bearing the signature of the Voting Owner is checked against the list of Owners In Good Standing.
- (2) ballots are removed from the envelopes bearing name and unit number and deposited in a ballot box.
- (3) ballots are tabulated and counted.

e. Immediately upon closing of the Polls, and not before, the Election Committee shall tabulate and count the ballots and shall report in writing to the presiding officer at the Annual Meeting the names in alphabetical order of those elected for the ensuing terms of office.

f. In the event that two or more candidates have received an equal number of votes and all cannot be elected, the winner or winners shall be determined by lot.

g. Ballots shall be kept by the Secretary of the Association for two weeks following the election, and the tally of the votes shall not be disclosed, except that any losing candidate is entitled to be told the number of votes received and the number of votes received by the lowest winning candidate.

#### **Section 6. Organization of the Board.**

Immediately following the election of Directors and the Members' Annual Meeting, the new Board of Directors shall hold an Organizational Meeting at which they shall assume office and then elect from their number, a President, a Vice-President, a Secretary, and a Treasurer. The names of said officers shall then be promptly posted on the bulletin board. The new Board shall also authorize the continuing function of all existing Committees until its next Regular Monthly Meeting when action on new Committee organization for the ensuing year will be taken.

#### **Section 7. Board Meetings.**

a. Meetings of the Board of Directors shall be held monthly.

b. Notice of the time and place and the agenda for Meetings shall be given by general delivery at least four days before the meeting. If the meeting is to be held solely in Executive Session, notice shall be given at least two days before the meeting.

c. Members may attend all Board Meetings except when held in Executive Session, and speak in accordance with reasonable rules and time limits established by the Board.

d. The Board will only take action at a Meeting on items included on the agenda, except when a majority of the Board determines that an emergency situation exists.

#### **Section 8. Purpose of Executive Session.**

a. The Board of Directors may adjourn any Board Meeting to Executive Session to consider litigation, matters that relate to the formation of contracts with third parties, personnel matters, Member discipline when requested by a Member being disciplined and for any other purpose expressly authorized by law.

b. Any matter discussed in Executive Session shall be generally noted in the Minutes of the Board of Directors.

### **Section 9. Emergency Board Meetings.**

An emergency board meeting may be called by the President, or by any two Directors, if there are circumstances which could not be reasonably foreseen which require immediate attention and which make it impractical to provide advance notice. No advance notice of the time, place, objects or purposes of an Emergency Meeting need be given, and business transacted shall be limited to addressing the emergency.

### **Section 10. Consent of Meetings.**

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as those at a meeting duly held after regular call and notice, if a quorum be present and if either before or after the meeting, each of the Directors, including those not present, signs a written waiver of notice of a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association records or made a part of the minutes of the meeting.

### **Section 11. Quorum Assenting Vote.**

Four (4) Members shall constitute a quorum for the transaction of business. Any action taken by the Board of Directors shall be carried by four (4) assenting votes.

### **Section 12. Resignation from the Board.**

Any Member of the Board shall have the right to resign. Any Member of the Board of Directors who shall absent himself from three consecutive properly noticed regular monthly meetings of the Board shall be considered as having resigned. The Secretary shall state in the Minutes of the 3rd consecutive meeting that a Member has been absent 3 consecutive meetings and is therefore deemed to have resigned and is no longer a Member of the Board.

### **Section 13. Removal from the Board**

The Board of Directors may, by the affirmative vote of a majority of the Board, remove a Director who has (i) been declared by a final order of a court to be of unsound mind; (ii) been convicted of a felony; (iii) has failed to attend three consecutive properly noticed regular monthly meetings of the Board; or (iv) has failed to remain in good standing with the Association by paying in a timely manner all properly levied assessments, both regular and special, and by obeying all provisions of the governing documents of the Association, including all properly adopted rules.

### **Section 14. Vacancies.**

Any vacancy occurring in the Board of Directors before the expiration of the term for which a Director is elected or appointed shall be filled by a favorable vote of a majority of the remaining Directors. Any Director so appointed shall serve the unexpired term of the Director whose vacancy is so filled.

**Section 15. Rules and Regulations.**

The Board of Directors may adopt rules and regulations consistent with these Bylaws, the Declaration of Protective Restrictions and D-S for the management and operation of the Association, the use of the Clubhouse and all common areas and facilities and to govern the conduct of employees.

**Section 16. No Compensation to Directors.**

No Director of the Association shall receive any salary, perquisites or other compensation for serving as Director.

**Section 17. Annual Audit or Financial Review**

The Board of Directors shall employ an independent accounting firm of Certified Public Accountants that is licensed and in good standing in the State of California to audit the Association's books and to certify the Financial Statements as of the end of each fiscal year. A copy of the audited Financial Statements shall be distributed to the Members within 120 days of the close of the fiscal year.

**Section 18. Borrowing Money.**

An affirmative vote of 2/3 of the voting power of the Owners of the Association shall be required to authorize any borrowing for capital investment.

**Section 19. Policy Statements and Budget Reports.**

a. The Board shall prepare and distribute an Annual Policy Statement 30 to 90 days before the end of the fiscal year in accordance with Sections 5310-5320 of D-S. These include a Member's right to receive copies of meeting minutes, a statement of assessment collection policies, policies and practices for enforcing liens, discipline policy, dispute resolution procedures, and requirements for physical changes of property.

b. The Board shall prepare and distribute a Budget Report 30 to 90 days before the end of the fiscal year in accordance with Sections 5300-5320 of D-S. These include a pro forma operating budget showing estimated revenue and expenses on an accrual basis, a summary of the Association's reserves, a summary of the reserve funding plan, a statement whether the Board has determined to defer major repairs, a statement whether the Board anticipates any special assessments, a statement concerning the mechanisms for funding reserves, a statement concerning the procedures for calculating reserves, a statement whether the Association has any outstanding loans, and a summary of the Association's insurance policies.

## ARTICLE V

### Officers and Duties

#### Section 1. Officers.

The officers of the Association shall be a President, a Vice-President, a Treasurer, and a Secretary, all of whom shall be Directors and shall be elected as provided in ARTICLE IV, Section 5 of these Bylaws. They shall hold office at the pleasure of the Board and may be removed by it at any time.

#### Section 2. Subordinate Officers.

In addition to the officers named in the preceding section, the Board of Directors may appoint Assistant Secretaries and Assistant Treasurers who need not be Members of the Association and may prescribe their duties and fix their compensation. These subordinate officers shall hold their positions at the pleasure of the Board and may be removed by it at any time.

#### Section 3. Duties of the President.

a. The President shall have general supervision over the affairs of the Association and over its officers, Committees, agents and employees, subject to the Board of Directors and the provisions of these Bylaws. He shall call meetings of the Members of the Board of Directors as provided by these Bylaws and shall preside at such meetings.

b. When joined by the Secretary or Treasurer, he is empowered to sign and execute on behalf of the Association (where duly authorized in accordance with the provisions of these Bylaws) notes, contracts or any other instruments or documents necessary and proper in the conduct of the affairs of the Association.

c. He shall, generally, perform all duties incident to the office of President and such other duties as may be assigned to him by the Board of Directors. He shall submit at the Annual Meeting of Members a report on the general affairs of the Association for the preceding year. He shall be an ex-officio Member of all Committees except the Nominating and Election Committees.

#### Section 4. Duties of the Vice-President.

The Vice-President, in the absence or disability of the President, shall perform all of the duties of the President. In addition, he shall perform such other duties as are assigned to him by the Board of Directors.

#### Section 5. Duties of the Treasurer.

a. The Treasurer shall have general charge of the books and accounts of the Association. He shall cause all monies due the Association to be received, collected, and deposited in the name of the Association in depositories designated by the Board of Directors. Checks, drafts, and

orders for payment of Association funds shall be signed by at least two persons who must be duly authorized by the Board of Directors, one of whom must be a Director. He shall perform such other duties as the Board of Directors may assign to him.

b. The Treasurer shall report to the Board of Directors each month all unpaid Member's accounts that are thirty (30) days overdue.

c. It shall be the duty of the Treasurer to keep operating and trust reserve funds as follows:

(1) Deposited in financial institutions whose deposits are insured by an agency of the Federal Government, and not in excess of limits insured by the FDIC.

(2) Invested in securities issued or guaranteed by the Federal Government.

(3) Invested in general obligation tax exempt securities issued by states or municipalities having AA or AAA rating by both Moody and Standard and Poor's rating agencies.

(4) Prior to making any investments as authorized under subparagraphs (1), (2) and (3), it shall be the duty of the Treasurer to obtain the guidance of a majority of the Finance Committee Membership.

d. It shall be the duty of the Treasurer to report on the accounts of the Association at the Annual Meeting.

#### **Section 6. Duties of the Secretary.**

a. The Secretary shall keep or cause to be kept a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of Directors and Members, with the time and place of holding, whether monthly or Emergency, and if Emergency how authorized, the notice thereof given, the names of those present at Directors meetings, the number of Memberships and voters present or represented at Members' meetings and all the proceedings thereof.

b. The Secretary shall also keep or cause to be kept at the principal office a Membership register showing the names of the Owners and other Members and the number of votes to which each respective Owner is entitled.

c. The Secretary shall give or cause to be given notice of all meetings of the Members and of the Board of Directors, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

### **Section 7. Reserve Funds.**

The Board of Directors shall be responsible for managing the Association's reserve funds in accordance with Sections 5500-5515 of D-S which include:

a. The Board of Directors 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, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

b. 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 must be restored to the reserve fund within one year of the date of the initial transfer.

c. The signatures of at least two persons, who shall be Members of the Association's Board of Directors, shall be required for the withdrawal of monies from the Association's reserve accounts.

## **ARTICLE VI**

### **Committees**

#### **Section 1. Appointment.**

The Board of Directors shall appoint each Committee of the Association, name the chairman and approve the members of each Committee annually. The Board of Directors may temporarily discontinue a Committee which has not obtained the required number of members. The Board of Directors shall be responsible for specifying the duties of each Committee in its Charter, and may modify these duties as circumstances dictate. The creation or modification of Charters is seen as a joint effort between the Board and the Committee, with the Board retaining final authority. Committee members are encouraged to comment on draft Charters or their modification, or otherwise provide input or proposals to the Board. Committee members shall also review the Charter annually and recommend any changes to the Board.

#### **Section 2. Chairman.**

Except as specifically provided herein, Directors shall not be voting members of Committees. A Chairman of any Committee shall not serve for more than three years except as the Board may otherwise permit. However, he may remain on the same Committee as a member.

#### **Section 3. Finance Committee.**

a. This Committee shall consist of the Treasurer of the Association, who will serve as Chair and is a voting member, plus at least four resident Members. This Committee shall assist

the Board in exercising its fiduciary responsibility of overseeing the financial affairs of the Association.

b. This Committee's responsibilities include:

- (1) Providing an opinion on financial reports presented to the Board of Directors.
- (2) Recommending an independent accounting firm of Certified Public Accountants that is licensed and in good standing in the State of California to the Board to be appointed to conduct the annual audit of the Association.
- (3) Reviewing the annual operations budget of the Association.
- (4) Reviewing the risk management policies and programs of the Association.
- (5) Providing advice to the Board related to the Board's oversight of the reserve funds.
- (6) Overseeing the portfolio of investments of the Association and reporting their status to the Board of Directors.
- (7) Recommending action to the Board of Directors on any unplanned expenditures that will cost more than one month's current total maintenance fee.
- (8) Carrying out any other duties assigned by the Board.

This Committee's complete responsibilities are specified in its Charter.

#### **Section 4. Building and Grounds Committee.**

This Committee shall consist of at least five (5) Members. The purpose of this Committee is to promote the preservation and improvement of Del Mesa residences and adjacent landscaping. It shall perform such duties of study and recommendation as may be assigned by the Board of Directors for the purpose of carrying out the provisions of Article III, Section 2 of the Declaration of Protective Restrictions. Additional information on the duties of this Committee are contained in the Ground Rules of the Association.

This Committee's complete responsibilities are specified in its Charter.

#### **Section 5. House Committee**

- (a) This Committee shall consist of at least five (5) Members or such other number as the Board may decide. This Committee shall study and make recommendations to the Board of Directors regarding the decor of the Clubhouse.
- (b) This Committee's responsibilities include:
  - (1) Carrying out assignments related to the Clubhouse decor as requested by the Board of Directors.
  - (2) Recommending paint colors, furniture and other decor items for these assignments.
  - (3) Identifying the cost and funding source, purchase price and purchase point in connection with these assignments.
  - (4) All projects and expenditures shall be authorized in advance by the Board.

This Committee's complete responsibilities are specified in its Charter.



**Section 6. Welcoming Committee.**

This Committee shall consist of at least five (5) Members. The Committee shall offer a welcome to new residents, advise them of ongoing activities and programs provided by Del Mesa, and encourage them to join Committees and to explore opportunities to contribute to community life.

This Committee's complete responsibilities are specified in its Charter.

**Section 7. Nominating Committee.**

This Committee shall consist of five (5) resident Members. Its duties are outlined in Section 4 of ARTICLE IV of these Bylaws.

**Section 8. Election Committee.**

This Committee shall consist of three (3) resident Members and alternates as needed. Its duties are outlined in Section 5 of ARTICLE IV of these Bylaws.

**Section 9. Other Committees.**

The Board of Directors may appoint any other Committees for any purpose, name the Chairman, approve the Membership, and specify the powers and responsibilities of each such Committee in a Charter. Renters may serve on these Committees.

**ARTICLE VII**

**Powers and Duties**

**Section 1. Powers.**

The powers of this Association extend to all property covered by the Declaration of Protective Restrictions attached to these Bylaws and incorporated herein and are co-extensive with said Declaration. This Association shall have the power to enforce all restrictions, limitations, conditions, covenants, servitudes, charges and liens created in said Declaration, according to the means of enforcement stated in said Declaration. This Association shall be entitled to exercise all powers granted to it in Article IV, Section I, and elsewhere in the Declaration. The Declaration, D-S and other applicable laws shall be controlling as to the extent of the powers of this Association.

**Section 2. Duties.**

This Association shall have the duty and responsibility for enforcing all restrictions, conditions, covenants, servitudes, liens, and charges contained in the Declaration of Protective Restrictions and this Association shall have the duty of management, control and upkeep of the common area and common property co-extensive with the powers of management in Article IV of the Declaration, and ARTICLE VII, Sections 1 and 2 of these Bylaws.

### **Section 3. General and/or Special Charges, Assessments and Collections Thereof.**

The Board of Directors shall follow the procedure to fix and establish the amounts of general and/or special charges and assessments as prescribed in the applicable provisions of Article IV, Section 3 (a) of the Declaration of Protective Restrictions and as provided for by applicable provisions of D-S, for each unit within the subject property, and the improvements thereon, except such as are owned by the Association, shall be subject thereto and liens may be utilized to secure the payment of same. The Association shall also have the sole authority to fix and establish the amounts of interest, costs (including reasonable attorneys' fees) and late charges for the late payment or nonpayment thereof.

**a. General Charges.** The Board of Directors may delegate to the President, or any other officer, the preparation and submission of the annual estimate of cash requirements for the assessment for general charges to be apportioned among unit Owners, notice of said assessment shall be given to all Members, and any Member shall be given an opportunity to object to any assessment which shall not be levied uniformly among all Members according to their class of unit, as defined in Article IV, Section 3 (a) (4) of the Declaration of Protective Restrictions. The Board of Directors shall have the duty to enforce the payment of the charges thus assessed according to the procedures stated in Article IV, Section 3 (c), (d), (e), (f), (g), (h), and (i) of the Declaration of Protective Restrictions.

**b. Special Charges:**

(1) The Association shall be empowered to assess and collect special charges, assessments and liens for services rendered on behalf of individual Owners as prescribed in Article IV, Section 3 (b) of the Declaration of Protective Restrictions.

(2) When and if the Association makes any payments on behalf of individual Owners or Members, as the Association is empowered to do in Article IV, Section 1 of the Declaration of Protective Restrictions, the Association shall recover the amount of such payment from the Member or Owner on whose behalf payment was made, in the same manner as the Association shall recover other special charges.

(3) The procedure for collection of special charges shall be the same as the collection for general charges as stated in this article.

### **Section 4. Enforcement of Restrictions as to Use of Property.**

The Association shall have the duty to enforce the restrictions on use of property contained in ARTICLE III, Section 1 and 2 of the Declaration of Protective Restrictions. The Association shall use the following procedure in enforcing such Restrictions.

a. Upon notice that any Owner, Member, or occupant is violating any of the restrictions contained in the Declaration of Protective Restrictions, the Board of Directors shall investigate the reported violation, and upon a determination that any Owner, Member, or occupant is in

violation of the Declaration, then the Board of Directors shall send such Member, Owner, or occupant a notice demanding that said Owner, Member or occupant immediately cease and desist from the restricted use.

b. If the Owner, Member, or occupant fails or refuses to cease and desist from the restricted use, the Board of Directors shall request said Owner, Member, or occupant to appear before the Board of Directors and show cause why the Association should not invoke on behalf of the Association any and all legal and equitable remedies available in the Declaration of Protective Restrictions to enforce the restrictions on use.

c. Prior to any action being taken against an Owner, Member or occupant by the Board, the Owner, Member or occupant shall be entitled to a hearing before the full Board, and a two-thirds (2/3rds) vote of the entire Board shall be required before any sanctions may be imposed upon an Owner by the Board.

d. Upon a two-thirds (2/3rds) vote in favor of finding an Owner, Member or occupant in violation of the Declaration of Protective Restrictions and/or Bylaws of the Association, the Board shall decide whether to impose a fine or seek enforcement by judicial action as provided in Article V and VI of the Declaration. The Association may also, upon a two-thirds (2/3rds) vote of the entire Board, as set forth herein, proceed to legal action provided in Article V and VI of the Declaration of Protective Restrictions, or declare the violation of the Declaration of Protective Restrictions a nuisance and proceed against the Owner, Member or occupant as set forth in Article V, Section 2 of the Declaration of Protective Restrictions and D-S.

#### **Section 5. Enforcement of Restrictions as to Occupancy.**

The Association shall have the duty to enforce the limitations on occupancy contained in Article III, Section 3 (b) and 3 (c), of the Declaration of Protective Restrictions. The Board of Directors shall use the following procedure in enforcing said section:

##### **a. Consent to Occupancy.**

(1) The prospective occupant shall submit to the General Manager a completed "Application for Occupancy."

(2) After the General Manager has determined that the prospective occupant has met the age requirements for occupancy as defined in Article III, Section 3, Declaration of Protective Restrictions, he will send a letter informing the applicant that the application has been approved and then schedule a meeting with the applicant to review Association policies and procedures.

(3) If the applicant meets the age requirements for occupancy, the Board of Directors will ratify approval of the applicant at the next Regular Board Meeting.

(4) The General Manager shall act upon all applications for consent to occupy within forty (40) days after such applications have been filed with the

Association, and any applications for occupancy not acted upon within said time shall be deemed to have been approved by the Association.

(5) Upon written application, the Association may permit persons who do not qualify as occupants under this Section to reside in a unit with an Owner or authorized occupant where necessary for the health or well being of the Owner or authorized occupant consistent with California Civil Code 51.3. Normally, occupancy is limited to two (2) persons per unit.

(6) The Board of Directors may take such legal action as may be necessary to remove or eject any person or persons who occupy or reside permanently in any units thereon without compliance with this Section.

**b. Consent to Occupancy, Renting or Leasing.**

(1) A person who will reside in a Unit for a period of time of more than ninety (90) days in any one year period shall be considered as a permanent occupant, and the Admission requirements and procedures used for occupants outlined in subparagraph a above will apply.

(2) Occupancy in a rental or lease status for a period of time less than 30 days is not permitted.

**Section 6. Business and Management.**

a. Article IV, Section I of the Declaration provides that certain management functions of the common area and the subject property shall be exercised by the Association. The Board of Directors shall be responsible for insuring that the officers of the Association carry out the duties of such management; the Board may delegate the responsibility for performing management functions and is empowered to employ persons who are not Members of the Association to manage the business affairs of the Association or to care for and maintain the common area. In particular, management functions may be delegated to a General Manager under appropriate guidelines, and the Board may employ secretaries, engineers, auditors, legal counsel, technical consultants, etc., as needed for Association business and for its Members.

b. The Board shall describe the General Manager's duties.

**ARTICLE VIII**

**Miscellaneous Provisions.**

**Section 1. Checks, Drafts, etc.**

All checks, drafts or other orders for payment money, notes or other evidence of indebtedness, issued in the name of or payment to the Association, and any and all securities owned or held by the Association requiring signature for transfer, shall be signed or endorsed by such person or

persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors, subject to ARTICLE V of these Bylaws.

**Section 2. Contracts, etc., How Executed.**

The Board of Directors, except as in the Bylaws otherwise provided, 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 authorized by the Board of Directors, no officer, and no agent or employee shall have any power or authority to bind the Association to any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

**Section 3. Inspection of Association Records.**

Association records shall be open to inspection by any Member in accordance with the procedures and limitations in Section 5200 of D-S, including the following:

a. The Membership register, the books of account, the minutes of the proceedings of the Members and the Board of Directors and Association Committees shall be open to inspection by any Member at any reasonable time upon written request.

b. Other records of the Association, excepting confidential records reflecting or relating to the personal information of Members and employee records.

c. All records of the Association shall be open to inspection by any Director.

d. Any such inspection may be made in person or by any agent or attorney and shall include the right to make extracts.

e. The Association shall keep in its principal office for the transaction of business the original or a true copy of the Articles of Incorporation of the Association as amended, the original or a true copy of these Bylaws, as amended, and the original or a true copy of such Declaration of Protective Restrictions covering property subject to the jurisdiction of this Association as amended, each of which documents shall be opened to inspection by the Members during reasonable business hours.

**Section 4. Notices.**

a. Whenever, under the provisions of these Bylaws, notice is required to be given to any Director or Member, it shall be construed to mean notice as required by the terms of these Bylaws.

b. Whenever any Member entitled to vote has been absent from any meeting of Members, and whenever any Director has been absent from any meeting of the Board of Directors, an entry in the minutes of the meeting to the effect that notice has been duly given shall be prima facie evidence that due notice of such meeting was given to absentees as required by law and these Bylaws.

**Section 5. Defective Notices.**

Any mistake, inadvertence or excusable neglect in giving any notice required by these Bylaws shall not affect the validity of any meeting called thereby, or of any proceedings had at such meeting.

**Section 6. Headings and Titles.**

All headings and titles used in these Bylaws, including those of articles, sections, and subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them, affect that which is set forth in such article, section or subsection, nor any of the terms or provisions of these Bylaws nor the meaning thereof.

**Section 7. Ground Rules.**

Subject to the limitations contained in the Declaration of Protective Restrictions and D-S, the Board of Directors may from time to time make, establish, publish, promulgate, amend and repeal Ground Rules, and enforce the same by establishing and collecting fines for the violation thereof, governing the use of the property, and any part or portion thereof, subject to the jurisdiction of the Association and the conduct of Members and the occupants of each unit embraced within the property subject to the jurisdiction of the Association; which Ground Rules, and each of them shall be binding equally upon each and every Member and each and every occupant of such unit. Copies of Ground Rules shall be delivered to all Members and occupants. Any fine or fines established for the violation of any Ground Rules shall be established and apply equally in amount and application to all persons. A current record of all Ground Rules, as amended, from time to time, and a record of the amount of any fines established for the violation thereof, shall be kept by the Secretary of the Association and shall be available to any Member at any reasonable time.

**Section 8. Supervision of Employees.**

Supervision of employees shall be the direct responsibility of the General Manager. All instruction to or complaints regarding employees by Members or occupants shall be directed to the General Manager or to the Board of Directors.

**Section 9. Rules of Order.**

Where not inconsistent with the provisions of the Declaration of Protective Restrictions or these Bylaws, the affairs and the meetings of the Association and its Committees shall be regulated by Roberts' Rules of Order (current edition) or any parliamentary procedure the Association may adopt per D-S.

**Section 10. Residents as Employees.**

No resident of Del Mesa Carmel may be employed in any capacity for compensation by the Association.

**Section 11. Conflict of Interest.**

The Corporations Code shall apply to any contract or other transaction authorized, approved or ratified by the Board or a Committee of the Board in accordance with D-S. A Director or Committee Member shall not vote on motions concerning his own discipline, assessments against himself, a payment plan for his overdue assessments, a decision whether to foreclose on his lien, a physical property change affecting himself, or a grant of exclusive use common area for himself.

**ARTICLE IX**

**Duration and Dissolution**

1. This Association, or its successor, shall continue in existence so long as the Declaration of Protective Restrictions, or any amendment thereof, shall apply to subject property.
2. Article VIII of the Declaration prescribes action to be taken by the Board in the event of partial or total destruction of the buildings located on subject property, and said Article VIII of the Declaration shall be controlling in this event.

**ARTICLE X**

**Indemnity**

Each person, now or hereafter a Director or Officer of the Association or a Member of any Committee of the Association, shall be indemnified by the Association against all expenses and liabilities imposed upon or reasonably incurred by him in connection with or resulting from any action, suit, or proceeding hereafter commenced to which he may be made a party by reason of being or having been a Director or Officer or Member of a Committee of the Association, whether or not a Director or Officer or Member of a Committee at the time such expenses and liabilities are imposed or incurred. This right of indemnification is applicable only to the extent of any loss, expense or liability which is not covered or exceeds the limits of insurance coverage of policies applicable to the Association. This indemnification shall include, but not be limited to, judgments, court costs, and attorney's fee, or the cost of reasonable settlement. However, the Association shall not indemnify any Director or Officer or Member of a Committee in relation to matters as to which he shall be finally adjudged in such action, suit, or proceeding, to be liable because of negligence or misconduct in the performance of his duties as such Director or Officer or Member of a Committee, or in relation to any expenses or payments in settlement unless and until approved by the Board of Directors. The right of indemnification herein provided shall not be exclusive of other rights to which any such person may be entitled as a matter of law.

## ARTICLE XI

### Amendment of Bylaws

#### Section 1. Initial Proposal.

Amendments may be proposed by two-thirds (2/3rds) of the Directors or by written petition signed by Owners In Good Standing who represent no fewer than ten (10) percent of the 289 Units.

#### Section 2. Presentation.

a. The text of each proposed amendment shall be presented in the same format as the then-current Bylaws. Articles, sections, and paragraphs shall be identified in the same manner in both documents.

b. The Board of Directors shall send a copy of proposed amendments to each Owner of the Association within thirty (30) days after receipt of a valid petition proposing amendment. Within 30 days thereafter, the Board will send a ballot to vote approval or disapproval, and an envelope marked "ballot" and addressed to the Secretary of the Association for return of the voted ballot.

c. There shall be included with each proposed amendment a written statement setting forth the arguments in favor and a written statement setting forth the arguments against, such statements not to exceed two hundred words in length, prepared by the petitioners as a group or by the Board of Directors.

d. The Secretary shall record in the minute book of the Board of Directors the date of receipt of each petition and the date each petition is sent to the Owners.

#### Section 3. Approval.

The Bylaws of the Association may be amended, or new Bylaws may be adopted, only by written ballot approval of a majority of all Owners of the Association in accordance with the procedures in Article VII Section 2 (a) of the Declarations.

#### Section 4. Effective Date and Notification.

When a majority of the Owners have voted approval of a proposed amendment or new Bylaw, the Board of Directors shall, at their next Regular meeting, declare said amendment to be in effect, and they shall so notify each Member.

These Bylaws when approved as required in Section 4 above shall be effective on February 10, 2017.



**CERTIFICATION**  
**Amendment to the**  
**Bylaws**  
**Del Mesa Carmel Community Association, Inc.**

The undersigned declare and certify the following:

1. They are the duly elected President and Secretary, respectively, of Del Mesa Carmel Community Association, Inc., the Declarant in the foregoing Bylaws, and are authorized to make this Certification on behalf of Declarant.
2. The required number of owners has consented to the adoption of the foregoing Bylaws of the Association (consisting of a 24 page document, plus cover and TOC).
3. Having been approved by a majority of owners, the foregoing Bylaws shall be effective February 10, 2017, and shall supersede all prior Bylaws and any amendments thereto.

We declare that the foregoing is true and correct, and that we have executed this Certification this 9th day of February, 2017.



\_\_\_\_\_  
Norman H. Schroeder, President



\_\_\_\_\_  
Alexanne Mills, Secretary