

BYLAWS OF CARMEL VIEWS COMMUNITY ASSOCIATION
A California Nonprofit Corporation
(Includes changes dated 6 January 1982)

ARTICLE I: INCORPORATION OF DECLARATION

Each and every provision, definition, term and condition set forth in that certain "Declaration of Covenants and Restrictions," hereinafter referred to as the Declaration, by GALLAWAY & SONS, INC., a California corporation, and recorded on March 14, 1967, in the office of the Recorder of Monterey County, California, in Reel 496 at Page 917, official Records of said County, are incorporated herein by this reference thereto with the same force and effect as though set forth at length herein. The provisions, definitions, terms and conditions hereby incorporated in these bylaws may be amended, modified or repealed only in the manner prescribed in said Declaration.

ARTICLE II: OFFICES

The principal office of the corporation for the transaction of business shall be located in the Carmel Views residential community at the home of the incumbent president, with mailing address P.O. Box 22052, Carmel, California 93922. The Board of Directors shall have full power and authority to change the place of said principal office within Monterey County from time to time and may establish branch or subordinate offices at any time.

ARTICLE III: MEMBERSHIP, VOTING RIGHTS AND NOTICES

Section 1. The requirements for membership in the Association are set forth in ARTICLE III of the Declaration, and membership is subject to all the terms and conditions of said Declaration.

Section 2. No application for membership nor formal resignation from membership shall be required, but each member shall be required to give to the Board of Directors written notice of the commencement and termination of membership under the terms of the Declaration and shall keep the Board of Directors advised of the member's current mailing address. Any notice required to be given to any member shall be given by postcard or letter mailed by United States Mail not less than ten nor more than ninety days in advance of the meeting or event so noticed unless otherwise provided herein, addressed to each such member at the last address provided to the Board of Directors, by the member. If the address of any member is unknown to the Board of Directors, a notice addressed to the member at Carmel Views, Monterey County, California, shall be sufficient. A single notice to a family unit or to one of several co-owners of a lot shall be sufficient.

Section 3. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made as provided by ARTICLE IV of the Declaration.

Section 4. Voting rights in the Association are set forth in ARTICLE III of the Declaration.

ARTICLE IV: USE OF COMMON PROPERTIES

Section 1. Each member shall be entitled to the use and benefits of the Common Properties and facilities as provided in and subject to the conditions set forth in ARTICLE VII of the Declaration.

Section 2. Any member may delegate his rights of use and enjoyment of the Common Properties and facilities thereon to the members of his family who reside upon the Properties or to any of his tenants who reside thereon, upon condition that the member shall notify the Secretary of the Association in writing of the name of any such person or persons and of the relationship of the member to such person.

ARTICLE V: ASSOCIATION PURPOSES & POWERS

Section 1. The purpose and powers of the Association are set forth in the Articles of Incorporation of the Association and Declaration. Neither the Declaration nor the Articles of Incorporation of the Association shall be interpreted to empower the Association to expend any fund or sum of money for any service, maintenance, utility, material, improvement or other benefit directly upon any lot owned by other than the Association, except such attorney's fees and costs or similar expenditure as may reasonably be required to enforce any provision of the Declaration, or for an expense for a lot within, or continuous to, the Properties where such funds or monies are expended for the improvement and maintenance of the Properties as a whole and such expenditure is beneficial to the Association and its members.

ARTICLE VI: MEETINGS OF MEMBERS

Section 1. The members of the Association shall meet annually during the month of January, commencing with the month of January, 1968; and the Board of Directors shall notify each owner of the time, date and place of each such meeting not less than ten days nor more than ninety days in advance thereof.

Section 2. A special meeting of the members may be called for any purpose at any time by the President, Vice President, Secretary or Treasurer,

or by any two or more members of the Board of Directors, or upon written request of five percent (5%) of the voting members. The secretary shall notify each owner of the time, date, place and purpose of any such special meeting not less than ten days nor more than ninety days in advance thereof.

Section 3. At any meeting of the members of the Association, each vote may be cast either in person or by proxy. All proxies shall be in writing and filed with the Secretary at or before the commencement of any meeting in which they may be exercised. No proxy shall be valid for a period in excess of eleven months, and any proxy shall automatically terminate upon the ineligibility for membership of the member giving such proxy.

Section 4. The presence in person or by proxy of members holding a majority of the voting power of the Association shall constitute a quorum for the transaction of business at all meetings of the membership; provided, however, that if any meeting cannot be held because a quorum is not present, the members present in person or by proxy may adjourn the meeting to a time not less than forty-eight hours nor more than thirty-days from the time the original meeting was called, at which adjourned meeting the presence in person or by proxy of members holding twenty-five percent (25%) of the voting power of the Association shall constitute a quorum. Except as otherwise provided in the Declaration and these Bylaws, the vote of a majority of the voting power present in person or by proxy at any meeting at which a quorum is established shall be sufficient to take any action otherwise permitted by law, the Declaration, the Articles of Incorporation and these bylaws.

ARTICLE VII: ELECTION OF DIRECTORS

Section 1. Every member entitled to vote at any election for directors may cumulate his votes and give one candidate number of votes equal to the number of directors to be elected multiplied by the number of votes which he is entitled to exercise, or distribute his votes on the same principle among as many candidates as he thinks fit.

Section 2. The entire Board of Directors or any individual director may be removed from office by a vote of members holding a majority of the voting power of the Association. However, unless the entire board is removed, an individual director shall not be removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total voting power of the Association is divided by one plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting.

ARTICLE VIII: BOARD OF DIRECTORS

Section 1. The affairs of the corporation shall be managed initially by a board of three directors who need not be members of the corporation; provided, however, that the initial appointed Board of Directors shall have no power or authority to enter into any contracts which bind the Board of Directors or the Association for a period in excess of one year, unless reasonable cancellation provisions are included in the contracts. At the first annual meeting of the members of the corporation, to be held during January 1968, the members of the Association shall elect a Board of Directors of their choice, which Directors need not be members of the Association. At the second annual meeting of the members of the Association to be held during January 1969, and thereafter, the Board of Directors shall be elected by the members of the Association from among its members. The Board of Directors shall consist of six (6) directors, elected to a term of two (2) years. Three (3) directors shall be elected in odd numbered years, and three (3) directors shall be elected in even numbered years. In the event that the vote of the directors is split evenly on two sides of a question, then the board shall designate the last previous president of the Association still residing in the properties, but who is no longer a member of the board, as an ex officio director to vote as a member of the board on that question only.

Section 2. If during the term of office of a director, the office of a Director becomes vacant by reason of death, resignation or ineligibility for membership in the corporation, the remaining directors shall select a member of the Association to serve as director until the next annual meeting.

Section 3. The Board of Directors shall have power:

(a) To call special meetings of the members whenever it deems necessary, and shall call such a meeting at any time upon the written request of members holding five percent (5%) of the voting power of the Association.

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained herein shall be construed to prohibit the employment of any member, officer or director of the Association in any capacity.

(c) To establish, levy, and assess and collect the assessments or charges referred to herein.

(d) To adopt and publish rules and regulations governing the use of the Common Properties and facilities and the personal conduct of the members and their guests thereon.

(e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except as otherwise set forth herein, or in the Articles of Incorporation or in the Declaration.

(f) To interpret and enforce the provision of the Declaration, the Articles of Incorporation of the Association, and these Bylaws.

Section 4. It shall be the duty of the Board of Directors:

(a) To 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, and in addition at any special meeting when such is requested in writing by five percent (5%) of the voting power of the Association.

(b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c) To fix the amount of the assessment against each lot for each assessment period at least twenty days in advance of such date or period, and at the same time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member, and send written notice of each assessment to every owner subject thereto, no less than ten days before any such assessment becomes due.

(d) To issue, or cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

(e) To perform all other acts required by or deemed necessary to effectuate the provisions of the Declaration.

ARTICLE IX: MEETINGS OF DIRECTORS

Section 1. The Board of Directors shall meet regularly, not less frequently than quarter-annually, at times and places to be decided by the directors. Notice of such meetings is hereby dispensed with.

Section 2. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by a majority of directors after not less than three days' notice to each director.

Section 3. The presence of a majority of the members of the Board of Directors at any meeting shall constitute a quorum for the transaction of

business. The vote of a majority of a quorum of members of the Board of Directors shall be required for any action taken by authority of the Board of Directors.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

ARTICLE X: OFFICERS

Section 1. The officers shall be a president, a vice president, a secretary and a treasurer. The president and the vice president shall be members of the Board of Directors.

Section 2. The officers shall be chosen by a majority vote of the directors and shall hold office at the pleasure of the Board of Directors.

Section 3. The president shall preside at all meetings of the Board of Directors and the members of the Association, shall see that orders and resolutions of the Board of Directors are carried out, and sign all notes, checks, leases, deeds, and other written instruments.

Section 4. The vice-president shall perform all the duties of the president in his absence or in the event of his disability.

Section 5. The secretary shall be ex-officio the secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose, shall sign all certificates of membership, keep the records of the Association, and record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members.

Section 6. The treasurer shall be the chief financial officer of the Association. The treasurer shall receive and deposit in a bank selected by the Board of Directors all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget previously adopted by the Board. The treasurer shall sign all checks

and notes of the Association, provided that such checks and notes shall also be signed by the president or vice president.

Section 7. The treasurer shall keep proper books and cause an annual financial statement of the Association books to be made at the completion of each calendar year. The treasurer shall submit the annual financial statement to the Board of Directors, which if approved by the board, shall be presented to the membership at its regular annual meeting. A copy of each such financial statement shall be mailed to each owner within thirty days of the receipt thereof by the Board of Directors. Each new board will prepare its annual budget and mail it to each property owner on or before 31 March.

ARTICLE XI: BOOKS, ACCOUNTS & RECORDS

Section 1. The books, accounts and records of the Association shall at all times during reasonable business hours be subject to the inspection of any member or his duly appointed representative.

ARTICLE XII: DISTRIBUTION OF ASSETS

Section 1. The Association shall not distribute any gains, profits, or dividends to any of its members.

ARTICLE XIII: CORPORATE SEAL

Section 1. The Association shall have a seal in circular form having within its circumference the words "Carmel Views Community Association".

ARTICLE XIV: AMENDMENTS

Section 1. These Bylaws and the Articles of Incorporation may be amended, at an annual or special meeting of the members, by an affirmative vote of a majority of voting power of the Association, provided that no provision of these Bylaws or the Articles of Incorporation which is governed by the Declaration, may be amended except as provided therein.

Section 2. In the case of any conflict or ambiguity between the Articles of Incorporation of the Association and these Bylaws, the Articles shall control; and in the case of any conflict or ambiguity between the Declaration and the Bylaws or Articles of Incorporation, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the Directors of CARMEL VIEWS COMMUNITY ASSOCIATION, designated in the Articles of Incorporation, have hereunto set our hands this 25th day of January, 1982.