

EXHIBIT "A"

RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF
HUNTINGTON LANDMARK ADULT COMMUNITY FOUNDATION

RESTATED AND AMENDED
BYLAWS
OF
HUNTINGTON LANDMARK SENIOR ADULT COMMUNITY ASSOCIATION

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**RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF**

HUNTINGTON LANDMARK ADULT COMMUNITY FOUNDATION

**ARTICLE I
NAME**

The name of the corporation (hereinafter **called the Association**) is Huntington Landmark Senior Adult Community Association.

**ARTICLE II
PURPOSE**

This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation **Law**. The purpose of this corporation is to engage in any lawful act or activity for which a corporation **may** be organized under such law. This corporation elects to be governed by all of the provisions of the Nonprofit Corporation Law of 1980 not otherwise applicable to it under Part 5 thereof. The Association is organized and operated to:

1. Provide for administration, maintenance, preservation and architectural control of the Master Common Areas of the Huntington Landmark Senior Adult community;
2. Provide for preservation and architectural control of all other properties within the Huntington Landmark Senior Adult Community;
3. Provide for the administration, maintenance, preservation and control of the Common **Areas** of the various **condominium** Projects located within the Huntington Landmark Senior Adult Community; and
4. To promote the common good and social welfare of the Huntington Landmark Senior Adult Community.

NOTWITHSTANDING any other provision of these Articles, this Association shall not engage in any activities or exercise any powers that are not in furtherance of the purposes of the Association as specified above. No part of the net earnings, if any, of this Association shall inure to the benefit of any of its Members or to the benefit of any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of property held by the Association, and other than by rebates of excess membership dues, fees, or assessments).

ARTICLE III
POWERS OF THE ASSOCIATION

The Association shall have and exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Mutual Benefit Corporation Law of the State of California by law may now or hereafter exercise, subject to limitations set forth in these Articles, the Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Huntington Landmark Senior Adult Community, recorded or to be recorded in the Official Records of Orange county, California (hereinafter called "the Declaration") or the Amended and Restated Bylaws of the Association and subject to the further limitation that the Association shall not, except to a nominal necessary degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Association.

ARTICLE IV
MEMBERSHIP

The authorized number and qualifications of Members of the Association, the different classes of Members, if any, the property, voting, and other rights and privileges of Members, and their liability for assessments and the method of collecting them shall be controlled by the Bylaws of the Association.

ARTICLE V
DISSOLUTION

The assets of the Association shall be distributed among the members in accordance with their respective rights therein, subject to complying with the provisions of any trust under which such assets are held as required by the Nonprofit Mutual Benefit Corporation Law.

ARTICLE VI
AMENDMENTS

Amendments to these Articles of Incorporation requires the vote or written assent of Members representing at least a majority of the Members entitled to vote and the vote or written assent of at least a majority of the Board.

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RESTATED AND AMENDED

BYLAWS

OF

HUNTINGTON LANDMARK SENIOR ADULT COMMUNITY ASSOCIATION

A California Nonprofit Mutual Benefit Corporation

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RESTATED AND AMENDED

BYLAWS

OF

HUNTINGTON LANDMARK SENIOR ADULT COMMUNITY ASSOCIATION

A California Nonprofit Mutual Benefit Corporation

ARTICLE I

Name and Location of the Association

The name of this Association is:

HUNTINGTON LANDMARK SENIOR ADULT COMMUNITY ASSOCIATION.

Such Association is referred to as the •Association• herein. The name of the Association was formerly Huntington Landmark Adult Community Foundation., a California non-profit corporation. Its principal office is located in the County of Orange, State of California. The Board of Directors is hereby granted full power •nd authority to change **said** principal office **from one** location to another in **said** County. Additionally, the Association may have such other offices, either within or without said County, as the Board of Directors may require from **time** to **time**.

ARTICLE II

Purposes

The Association does not contemplate pecuniary gain or profit to the members thereof, and the primary purposes for which it has been formed are to be a homeowners' association organized and operated to provide for the ownership, management, administration, maintenance, preservation and/or architectural control of the Master Common Areas, Units and Residential Common Areas within that certain real property development known as the

Huntington Landmark Senior Adult Community together with any additional real property which might hereafter be annexed to such development in accordance with the annexation provisions of the Declaration as such term is herein defined (collectively the "Property" herein), all as more fully set forth in the Articles of Incorporation of the Association and in the Declaration as such term is hereinafter defined.

ARTICLE III

Definitions

3.01 Definition of Declaration. "Declaration" as used herein shall mean and refer to that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements, for Huntington Landmark Senior Adult Community **made** by the Huntington Landmark Adult Community Association No. 1 and the Huntington Landmark Adult Community Foundation on behalf of the Owners, recorded or to be recorded in the Official Records of Orange County, California.

3.02 Incorporation of Definitions. The definitions contained in the Declaration are incorporated herein and made a part hereof by this reference thereto.

ARTICLE IV

Meetings of Members

4.01 Membership. Every person or entity who is an Owner shall be a Member of the Association as provided for in the Declaration. The provisions of these **Bylaws**, which are binding upon all members, are not exclusive. The Members shall also be subject to the terms and provisions of the Articles, the Declaration and the Association Rules. **A Member may own more than one membership by complying with qualifications of Membership as to more than one (1) Residence as set forth in this Section 4.01 of Article IV.**

4.02 Termination of Membership. Membership in the Association shall automatically terminate when a Member sells or transfers his Residence.

4.03 Place of Meetings. All meetings of Members shall be held within the Property (defined in the Declaration) or as close thereto as practicable. Unless unusual circumstances exist, Members' meetings shall not be held outside of the County in which the Property is situated.

4.04 Annual Meetings of Members. Following the Effective Date of these Bylaws, the annual meeting of the Members shall be held on the fourth Thursday of October of each year or on such other date as may be set by the Board, provided that such other date is within thirty (30) days of the fourth Thursday of October at the hour of 7:00 p.m. If the date of the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. At such annual meetings there shall be elected by ballot of the Members, a Board of Directors in accordance with the provisions of Section 4.12 and Article VII hereof. The Members may also transact such other business of the Association as may properly come before them.

4.05 Special Meetings. Special meetings of the Members shall be promptly scheduled by the Board in response to: (1) a vote by a majority of a quorum of the Board itself or (2) a request by the Chairman of the Board or the President or (3) written request for a special meeting signed by Members representing at least five percent (5%) of the total voting power of the Association. Upon request in writing to the Chairman of the Board, the President, Vice President, or by the Secretary, by any person (other than the Board) entitled to call a special meeting of Members, the officer forthwith shall cause notice to **be** given to the Members pursuant to Section 4.06 of these Bylaws that a meeting will be held at a time fixed by the Board, which time shall be not less than thirty-five (35) days nor more than ninety (90) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the persons entitled to call the meeting may give the notice.

4.06 Notice of Meetings. Subject to the provisions of Section 4.05 of this Article IV, written notice of each **meeting** of the Members (~~annual or special~~) shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by personal delivery, by mailing of a copy of such Notice, first-class, postage prepaid, or by telegram not less than ten (10) nor more than ninety (90) days before such meeting to each first mortgagee requesting notice in writing and to each Member who, on the record date for notice of the meeting, would be entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member or mortgagee to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, (a) in the case of a special meeting, the general nature of the business to be transacted, and no other business **may** be transacted, or (b) in the case of the annual meeting, those matters which the Board, at the time of the mailing of the notice, intends to present for action by the members, but, subject to the provisions of applicable law, any proper matter

may be presented at the meeting for such action. The notice of any meeting at which directors **are** to be elected shall include the names of all those who are nominees at the **time** the notice is sent to members. If mailed, the notice of meeting shall be deemed to be delivered forty-eight (48) hours **after** it is deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid. Notice by telegram shall be **deemed** received twenty-four (24) hours after it is properly **sent**. Whenever any Member entitled to vote has been absent from any meeting of the Members, whether annual or special, an affidavit executed by the Secretary or Assistant Secretary to the **effect** that notice has been duly given, shall be **prima facie** evidence that due notice of such meeting was given to such Member or Members as required by law and by the charter documents of the Association.

4.07 Order of Business. The order of business at all meetings of the Members shall be as follows: (a) roll call to determine the voting power represented at the **meeting**: (b) proof of notice of meeting or waiver of notice: (c) reading of Minutes of preceding meeting: (d) reports of officers: **(e)** reports of committees: (f) appointment of inspectors of elections (at annual meetings or special meetings held for such purpose): (g) election of Directors (at annual meetings or special meetings held for such purpose): (h) unfinished business: and (i) new business. Meetings of Members shall be conducted by the officers of the Association, in order of their priority.

4.08 Informal Action by Members. Subject to Section 7513 of the California Nonprofit Mutual Benefit Corporation **Law**, any action, except the election of directors, which under any provision of the California Nonprofit Mutual Benefit Corporation Law may be taken at any regular or special **meeting** of Members, may be taken without a meeting if: (a) the written ballot of every Member is solicited: (b) the number of ballots cast within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action: and (c) if the number of written, signed approvals received setting forth the action so equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Each ballot so distributed shall: (i) set forth the proposed action: (ii) provide the Members an opportunity to specify approval or disapproval of each proposal: (iii) state that where an approval or disapproval is specified, the ballot will be cast accordingly: and (iv) specify a reasonable time within which Members may return the ballot. All solicitations of ballots must specify the number of responses necessary for a quorum and the percentage of approvals necessary to pass the measure submitted.

Unless a record date for voting purposes be fixed by the Board as provided in Section 4.14 of this Article IV, the record **date** for determining Members entitled to cast written ballot pursuant to this Section 4.0B, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited, whichever is first. All such written ballots shall be filed with the Secretary of the Association and kept in the records of the Association for three **(J)** years.

4.9 Quorum. The presence, in person or by proxy, of Members entitled to vote holding a majority of the voting power of the Association shall constitute a quorum for the transaction of business at all meetings of the Members, except as may be otherwise provided in these Bylaws and/or the Declaration. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. If any meeting cannot be held because a quorum is not present, no business may be transacted except that a majority of the Members present, either in person or by proxy, **may**, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the original meeting date, at which meeting the quorum requirement shall be twenty-five percent (25%) of the voting power of the Members.

4.10 Adjourned Meetings. When any meeting of Members, either annual or special, is adjourned for thirty (30) days or more, or if a time and place for the adjourned **meeting is** not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted **at an adjourned meeting**, other than by announcement thereof at the **meeting at** which such adjournment **is taken**.

4.11 Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The maximum term of any proxy shall be three **(J)** years from the date of its execution. Every proxy shall be revocable, and shall be revoked upon any of the following: **(a)** by a written notice prior to the vote by the person executing the proxy delivered to the Secretary of the Association, stating that the proxy is revoked; **(b)** by a

subsequent proxy executed by the person executing the prior proxy and presented to the meeting, (c) as to any voting, by attendance at the meeting and voting in person by the Member, (d) by conveyance by the Member of his lot or (e) upon receipt of written notice by the Association of the death or judicially declared incompetence of such Member. All proxies shall be in writing and filed with the Secretary at the commencement of the meeting or prior thereto.

4.12 Voting and Election of Directors. The provisions of the Article of the Declaration entitled "Association, Administration, Membership and Voting Rights" pertaining to Members' voting rights and classes of membership are by this reference incorporated herein and made a part hereof. The vote of a majority of a quorum present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which a different vote, by **express** provision, shall govern and control. Cumulative voting in the election of the Board Members shall be required for all elections, subject only to the procedural prerequisites to cumulative voting prescribed in Section 761S(b) of the Corporations Code. Voting in the election of Board members shall be by secret written ballot. Unless the entire Board is removed from office by the vote of the Members, no individual Board Member shall be removed prior to the expiration of his term of office if the votes cast against his removal would be sufficient to elect the Board Member if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Board Members authorized at the time of the most recent election of the Board Member were then being elected.

4.13 Consent of Absentees. The transaction of any business at any meeting of Members, either annual or special, however called and noticed; shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, and, if, either before or after the meeting, each of the Members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association, or **made a part** of the minutes of the meeting. Attendance of **a person at a meeting** shall constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Also, attendance **at a meeting** is not a waiver of any right to object to the consideration of matters required by the California Nonprofit Mutual Benefit Corporation Law to be included in the notice but not so included, if such objection is expressly made at the meeting. Reither the business

to be transacted nor the **purpoae** of any regular or **special** **Meeting** of Members need be **appecified** in any **written waiver** of notice, consent to the holding of the meeting, or approval of the **Minutes** thereof, except **aa** provided in Section 7511(f) of the California Nonprofit Mutual Benefit Corporation **Law**.

4,14 Record Date. The Board may fix, in advance, a record date for the determination of the Members entitled to notice of any meeting of Members or entitled to vote, act by written ballot, or take any other lawful action. The record date so fixed for notice purposes shall be not more than ninety (90) days nor less than ten (10) days prior to the meeting, for all other purposes, the record date shall be not more than ninety (90) days prior to such other action. When a record **date is ao** fixed, only Members of record on that date are entitled to notice, to vote, act by written ballot, or take other action for which the record date was fixed. A determination of Members of record entitled to notice of a meeting of Members shall apply to any adjournment of the meeting unless the Board fixes **a** new record **date** for the adjourned meeting. The Board shall fix new record date if the meeting is adjourned for more than forty-five (45) days.

If no record date is fixed by the Board, the record date for determining Members entitled to notice of a meeting of Members shall be at the close of business on the business day preceding the day on which notice is given or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held. If no record date is fixed by the Board, Members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the **Meeting** of Members or, in the ease of an adjourned meeting, **Members** on the day of the adjourned meeting who are otherwise eligible to vote are entitled to vote at the adjourned meeting of **Members**. The record date for determining **Members** for any purpose other than set forth in this Section 4.14 or Section 4.08 of this Article IV shall be at the close of business on the day on which the Board adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such other action, whichever is **later**.

ARTICLE V

Assessments, Lien Rights and Liabilities of Members

5,01 Member Assessments. Maintenance charges and other assessments as provided for in the Declaration shall be paid by the Members at the time, in ~~the~~ manner and subject to the conditions and limitations set forth in the Declaration. The

Board shall fix, levy, collect, and enforce such charges and assessments at the time, in the manner and subject to the limitations set forth in the Declaration.

5.02 Enforcement and Lien Rights. For the purposes of enforcing and collecting maintenance charges and assessments, the Association shall have the lien rights set forth in the Declaration, which lien rights shall be enforceable by the Board in the manner set forth in the Declaration. The Board shall also have and be entitled to exercise all other rights and remedies set forth in the Declaration or otherwise provided for **at law** or in equity,

5.03 Rights and Privileges of Members. No member shall have the right, without the prior approval of the **Board**, to exercise any of the powers or to perform any of the acts delegated to the Board by these Bylaws or the Declaration. Each member shall have all of the rights and privileges including, but not limited to, property rights and rights to access over, **and use** and enjoyment of the Common **Area** granted to the Members by **these** Bylaws and the Declaration subject to such limitations as **may** be imposed in accordance **therewith**.

5.04 Liabilities of Members. No Members of **this** Association, either regular or otherwise, shall be personally liable for any of the debts, liabilities and/or obligations of the Association.

ARTICLE VI

Association's Books and Records and Rights to Inspection **Thereof**

6.01 Books and Records of the Association. The Board of the Association **shall** keep or cause to be kept such membership registers, books of account and minutes of meetings of Members, the Board, and committees of the Board as it shall from time to time deem to be reasonably necessary. The accounting books and records and minutes of the proceedings of the **Board** and Committees of the Board are kept by the Association and the Board shall be made available for inspection and copying by any Member of the Association, or by his duly appointed representative, upon written request in accordance with the provisions of Section 6.02 of Article VI of these Bylaws, at any reasonable **time** and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Property as the Board shall prescribe all as provided in sections 8330, 8331, and 8332 of the California Corporations Code.

6.02 Establishment of Rules Pertaining to Records. The Board shall establish reasonable rules with respect to

(a) Notice (not to exceed five (5) **business days** written notice) to be given to the custodian of record of the Association by the Member desiring to **make** the inspection, stating the purpose of the inspection,

(b) Hours and days of the week when such inspection may be **made**,

(c) Payment of the cost of reproducing copies of document requested by **a Member**.

6.03 Inspection by Directors. Every Director shall **have** the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association, The right of inspection by **a** Director includes the right to **make** extracts and copies,

ARTICLE VII

Board of Directors

7.01 Number, Election, and Term of Office. The **affairs** of the Association shall be managed and administered by its Board of Directors, The Board of Directors shall consist of seven (7) Members, who shall be Members of the Association. The individuals constituting the Board of the Association immediately prior to the Effective Date of these Bylaws, shall continue as members of the Board until their successors are duly elected and the term of office for which such successors have been elected has commenced, With respect to the first Board elected for a term to commence and become effective at the time of or following the Effective Date of these Bylaws, the term of office of the four (4) directors receiving the highest number of votes shall be for two (2) **years** and the term of the remaining three (3) elected directors shall be for one (1) year. Subsequently elected Board members will **serve** for a term of two (2) years each. Successor directors shall be elected at the next annual meeting of the Members corresponding with the expiration of their terms. If an annual meeting of the Members is not held, or the Directors are not elected thereat, the Directors may be elected at any special meeting of Members held for that purpose.

7.02 Vacancies. A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director. If the Members shall increase the authorized Directors but shall fail to elect the additional Directors **as** provided for at the meeting at which such increase is authorized, or at an

adjournment thereof, or in **caae** the Member• fail to at any **time** elect the full number of the authorized Director•, a vacancy or vacancies shall be deemed to **exiat**.

Any Director may resign effective upon giving written notice to the Chairman of the Board, the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time to take office when the resignation becomes effective.

Vacancies in the Board, except those existing as a result of a removal of a Director for cause by the M-bers, may be filled by a majority of the remaining Directors, although less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual meeting of Members, or at a special meeting called for that purpose. A vacancy which exists as a result of a removal of **a** Director by the Members may only be filled by the vote or written assent of a majority of the voting power residing in Members.

The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony.

The Members may at any time elect Directors to fill any vacancy not filled by the Directors, and may elect the additional Directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of Directors. No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

7.03 Removal of Directors. At any **time** after the first annual meeting of Members, at any regular or special meeting duly called, any Director may be removed, with or without cause, by vote of the Members and **a** successor may then and there or later be elected to fill the vacancy thus created; provided, however, that any such removal and the election of a successor shall be in compliance with the provisions of Section 4.12 hereof.

7.04 Organization Meeting. The first meeting of a newly elected Board shall be held within ten (10) days following the election, at such place as shall be fixed by the Directors at the meeting at which such Directors **were** elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

7.05 Regular Meeting. Regular Meeting of the Board shall be held monthly at such hour and place as may be fixed from time to time by resolution of the Board. The Meeting place shall be within the Property unless, in the judgment of the governing body, a larger meeting room is required other than that which is available within the Property. In such case, the Meeting room selected shall be as close as possible to the Property. Should said meeting fall upon a legal holiday, then that Meeting shall be held at the same time on the next day which is not a legal holiday. Regular meetings of the Board may be held without notice if such meetings are fixed by Board resolution. Notice of special meetings of the Board shall be given to each Director by first class mail at least four (4) days prior to the day named for such special meeting or delivered personally or by telephone or telegraph forty-eight (48) hours prior to the time named for such special meeting. Notice of the time and place of such regular meeting shall also be posted at a prominent place or places within the Master Common Area of the Property. The conduct of both regular and special Meetings of the Board shall be governed by Roberts Rules of Order.

7.06 Special Meetings and Notices. Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman or by the President, or if they are unable or refuse to act, by the Vice President or by any two (2) Directors.

Written notice of the time and place of a special meeting and the nature of the business to be conducted shall be delivered personally to the Directors or sent to each Director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the Association. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company at or near the place in which the principal office of the Association is located at least four (4) days prior to the time of the meeting. In case such notice is delivered personally or by telephone or telegraph to any Director as above provided, it shall also be delivered at least forty-eight (48) hours prior to the time of the meeting. Such mailing, telephoning, telegraphing or delivery as provided herein shall be due, legal and personal notice to each such Director. Notice of a special meeting shall also be posted in a prominent place or places within the Master Common Area of the Property.

7.07 Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting or consent to the holding of the meeting, and such waiver or consent shall be deemed equivalent to the giving of notice of the meeting. All such waivers or consents shall be filed with the records of the Association or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Board

shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

7.08 Notice of Adjournment. Notice of adjournment of any Directors' meeting, either regular or special, need not be given to absent Directors, if the time and place are fixed at the meeting adjourned.

7.09 Adjournment. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour, provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn, from time to time until the time fixed for the next regular meeting of the Board.

7.10 Quorum. One-half (1/2) of the authorized number of Directors but not less than four (4), shall be necessary to constitute a quorum for the transaction of business, except to adjourn as provided above. Every act or decision done or made by a majority of the Directors present at a meeting at which a quorum is present shall be the act and/or decision of the Board, unless a greater number be required by law. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

7.11 Action Without Meeting. Any action by the Board may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board. If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the Master Common Area of the Property within three (3) days after the written consents of all Board members have been obtained.

7.12 Board Meetings Open to Members. All regular and special meetings of the Board shall be open to all Members of the Association, and any holders of mortgages encumbering any portion of the Property, provided, however, that Association Members and/or mortgagees who are not on the Board may not participate in any deliberation or decision unless expressly so authorized by the vote of the majority of a quorum of the Board.

7.13 Executive Sessions. The Board may, with the approval of a majority of a quorum of its Members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive sessions shall first be announced in open session.

7.14 Fidelity Bonds. The Board may require that all officers and employees of the Association handling or responsible for Association or trust funds shall furnish **adequate** fidelity bonds. The premiums on such bonds shall be paid by the Association.

7.15 Liability and Indemnity of the Board and Officers. The Members of the Board and the officers of the Association shall not be liable to the Members of the Association for any non-willful tort or mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. Each Director and officer, to the fullest extent permitted by law, shall be indemnified by the Association as provided in Article XI of these Bylaws.

7.16 Executive Committee. The Board of Directors shall have the power to appoint an Executive Committee composed of two (2) or more Directors, and to delegate to such committee any of the powers and authority of the Board in the management of the business and **affairs** of the Association, except the following:

- (a) The approval of any action for which the California Nonprofit Mutual Benefit Corporation **Law also** requires approval of the Members or approval of a majority of all **Members**,
- (b) The filling of vacancies on the Board
- (c) The fixing of compensation of the Directors for serving on the Board or on any committee:
- (d) The amendment or repeal of Bylaws or the adoption of **new Bylaws**:
- (e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable
- (f) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

The Executive Committee shall be entitled to appoint ••bera of any other committee if the Board fails to do so. The Board shall have the power to prescribe the manner in which proceedings of the Executive Committee shall be conducted. Minutes shall be kept of each meeting.

7.17 Nominations of Candidates for the Board. Nominations for election to the Board of Directors may be **made by a** Nominating Committee. Nominations may also be **made** from the floor at the annual meeting or by petition from **members** in accordance with the provisions of Section 7521 of the California Corporations Code. If a Nominating Committee is appointed by the Board, the Nominating Committee shall be appointed at least sixty (60) days prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

7.18 Powers and Duties of the Board.

(a) Powers. Subject to limitations of the Articles, of these Bylaws, of the Declaration, and of the California Nonprofit Mutual Benefit Corporation Law relating to action required to be approved by the Members or by a majority of Members, the activities and affairs of the Association shall be conducted and all of its powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Association to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the Association shall be **managed** and all of its powers shall be exercised under the **ultimate** direction of the Board. Without prejudice to such general **powers**, but subject to the **same limitations**, it is hereby expressly declared that the Board shall **have** the following powers in addition to the other powers enumerated in these Bylaws and the Declaration,

(i) To exercise for the Association all powers, duties and authorities vested in or delegated to the Association and not reserved to the membership by other provisions of the Community Restrictions (as defined in the Declaration),

(ii) To generally manage the affairs of the Association,

(iii) After notice and hearing in the manner provided in Article X below, to impose fines and penalties and suspend the voting right of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association or for violation of any other provision of the Declaration, the Articles, Bylaws and Association Rules,

(iv) To employ and/or remove a manager, independent contractor, or such other employees as the Board shall deem necessary, and to prescribe their duties.

(b) Duties. It shall be the duty of the Board
to:

(i) See that all duties and responsibilities of the Board as set forth in the Community Restrictions are properly and timely performed:

(ii) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed,

(iii) Keep or cause to be kept a complete record of all of its acts and doings and to present a statement of them to the Members at an annual or special meeting of the Members where such statement is requested in writing by one-fourth (1/4) of the Members entitled to vote thereat,

(iv) Review a current reconciliation of the Association's operating accounts on a quarterly basis,

(v) Review a current reconciliation of the Association's reserve accounts (defined in this Section 7.18 of Article VII) on a quarterly basis:

(vi) Review the current year's actual reserve revenues and expenditures compared to the current year's budget on a quarterly basis

(vii) Review the latest accounting statements prepared by the financial institutions where the Association has its operating and reserve accounts;

(viii) Review an income and ezpenae statement for the Asaociation's operating and reserve account• on •.quarterly basis.

As used in this Section 7.18 of Article VII, reserve accounts mean monies that the Board has identified from its annual budget for use to defray the future repair or replacement of, or additions to, those major components which the Association is obligated to maintain.

ARTICLE VIII Officers

8.01 Enumeration of Officers. The officers of the Association shall be a President, a Vice President, a secretary and a Chief Financial Officer. The Association may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as may be appointed in accordance with the provisions of this Article VIII. One person may hold two or more offices, except those of President and Secretary.

8.02 Election and Term of Office. The Officers of the Association shall be elected annually by the Board of Directors at the regular annual organizational meeting of the Board of Directors. If election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New officers may be created and filled at any **meeting** of the Board of Directors. Each officer shall hold office until his resignation, removal, or other disqualification from service, or until his successor shall have been elected.

8.03 Removal and Resignation. Any officer may be removed, with or without cause, by the Board at any regular or special meeting of the Board at which a quorum is present. Any officer may resign at any time by giving written notice to the Board or the President or to the Secretary of the Association. Any such resignation shall not prejudice the rights, if any, of the Association under any contract to which the officer is a party. Any such resignation will take effect as of the date of the receipt of such notice, or any later date specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.04 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, may be filled for the unexpired portion of the term in the manner prescribed in the **•• Bylaw••** for regular election or appointment to such office.

8.05 President. The President shall be the principal executive officer of the Association **and shall** in general supervise and control all of the **business and** affairs of the Association. He shall preside at all meetings of the members and of the Board. **He may sign,** with the Secretary or any other proper officer of the Association authorized by the Board, any **deeds,** mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these **Bylaws,** or by statute to some other officer or agent of the Association, and in general he shall perform all duties incident to the office of President and such other duties **as may** be prescribed by the Board **from time** to time.

8.06 Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board.

8.07 Chief Financial Officer. The Chief Financial Officer of the Association shall keep and **maintain,** or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, and shall send or cause to be **sent** to the Members of the Association such financial statements and reports as are required by law or by these Bylaws or by the Declaration to be sent to them.

He shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and in general perform all the duties incident to the office of Chief Financial Officer and such other duties as from time to time may be **assigned** to him by the President or by the Board of Directors. If required by the Board, the Chief Financial Officer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine.

8.08 Secretary. The Secretary shall **keep** or cause to be kept, in one or more books provided for that purpose, the minutes of the meetings of the Members and of the Board and committees of the **Board**, with the **time** and place of holding, whether regular or special (**and** if special, how authorized), the notice thereof given, the names of those present at Board **and committee** meetings, the number of members present or represented at Members' meetings, and the proceedings thereof, **see** that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, be custodian of the Association's records (including a copy of the Articles and Bylaws, as amended to date), keep a register of the post office address of each member which shall be furnished to the Secretary by such member: and in general perform all duties as from time to **time may** be assigned to **him** by the President or by the Board.

8.09 Assistant Vice Presidents, Assistant Chief Financial Officers and Assistant Secretaries. If required by the Board of Directors, the Assistant Chief Financial Officers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors **shall** determine. The premiums of such bonds shall be **paid** by the Association. The Assistant Chief Financial Officers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to **them** by the Chief Financial Officer or the Secretary or by the President of the Board of Directors.

ARTICLE IX
Commltt•••

The Board shall appoint an Architectural control Committee at the times and in the manner provided for in the Declaration and a Nominating Committee,•• provided for in these Bylaws. The Board shall **also** have the power to appoint an Executive Committee, as provided for in these Bylaws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out the purposes of the Association. Except as otherwise specifically provided in the Community Restrictions (as defined in the Declaration), committee members shall serve at the pleasure of the Board.

ARTICLE X
Association Rules and Enforcement

The following provisions shall govern the promulgation of the Association Rules authorized by the Declaration which shall include the establishment of a system of fines and penalties:

(i) The Board in its discretion shall adopt such rules and regulations as are consistent with and in furtherance of existing **law**, the Declaration, the Articles and these **Bylaws**. Such rules and regulations shall take effect as the Association **Rules**.

(ii) The Board in its discretion shall adopt a list of specific fines and penalties for the violation by any **Member** of the provisions of the **Declaration, the Articles, these Bylaws and the Association rules**. Such fines and penalties shall be binding on all Members and shall be enforceable by the Board **as** a Special Assessment. Such a remedy shall not be deemed to be exclusive and the Board shall have such other **remedies**, including suspension of a Member's voting rights, as are provided for by applicable law, the Declaration, the Articles, the Bylaws and the Association Rules.

(iii) Any Association Rules promulgated pursuant to this Section shall provide that no fine or penalty shall be levied without the following procedural safeguards:

(1) A written statement of the **alleged** violations shall be provided to any Member against whom such charges are made, and such written statement shall provide a date on which the charges shall be heardr

(2) No proceedings under this Section shall be brought against any Member **unlesa** such Member shall have received **a written** statement of charges at least thirty (30) daya prior to that hearing,

(3) No proceeding shall be brought against any Member more than sixty (60) days after such Member is provided a **written** statement of **charges**,

(4) The Board shall appoint **a panel** of three (3) capable persons (one of whom shall be designated a chairman) who may or may not be Members, and who shall hear the charges and evaluate the evidence of the alleged violation,

(5) At such hearing the Member so charged shall have the right to present oral and written evidence and to confront and cross-examine adverse witnesses;

(6) The panel shall deliver to the Member so charged within seven (7) **days** after the hearing a written decision which specifies the fines or penalties levied, if any, and the reasons therefor.

(iv) In the event that a Member shall correct an alleged violation prior to the hearing **date**, the Board shall discontinue the proceedings.

ARTICLE: XI

Indemnification

11.01 Definitions. For the purposes of this Article XI, **agent** means any person who is or **was a** director, officer, employee, or other agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor of the Association or of another enterprise at the request of such predecessor; **proceeding** means any threatened, pending, or completed action or proceeding, whether civil, criminal, ad•inistrative, or investigative, and **expenses** includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 11.04 or 11.0S(c) of this Article XI.

11.02 Indemnification in Actions by Third Parties. The Association shall have power to indemnify any person who **was** or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Association to procure a judgment in its favor) by reason of the fact that such person is or was an agent of the Association, **against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful.** The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Association or that the person had reasonable cause to believe that the person's conduct **was** unlawful.

11.03 Indemnification in Actions by or in the Right of the Association. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Association, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Association and with such care including reasonable inquiry, as an ordinarily prudent person in a like position would use under **similar** circumstances. Notwithstanding anything to the contrary herein, and except as otherwise provided for in Section 7237 of the California Corporations Code, as amended, the Association shall not indemnify pursuant to this Section 11.03 with respect to the following:

(a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Association in the performance of such person's duty to the Association, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine,

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval or

(c) Of expenses incurred in defending • threatened or pending action which is settled or otherwise disposed of without court approval.

11.04 Indemnification Against Expenses. To the extent that an agent of the Association has been successful on the merits in defense of any proceeding referred to in Section 11.02 or 11.03 of this Article XI or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

11.05 Required Determinations. Except as provided in Section 11.04 of this Article XI, any indemnification under this Article XI shall be made by the Association only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 11.02 or 11.03 of this Article XI, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding:

(b) If a quorum of Directors is not obtainable, by independent legal counsel in a written opinion:

(c) Approval by vote or written ballot of a majority of a quorum present at a duly held meeting of the Members with the persons to be indemnified not being entitled to vote thereon, or

(d) The court in which such proceeding is or was pending upon application made by the Association or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Association.

11.06 Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Association prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article XI.

11.07 Other Indemnification. No provision **made** by the Association to indemnify it• Directors or officer• for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of Members or Directors, an agreement, or otherwise, shall be valid unless consistent with California Corporation Code 57237 •• **amended** from **time** to ti••• it **being** understood that at the present **time** the provisions of **this** Article XI comply with the requirements of California Corporations Code 57237. Nothing contained in this Article XI shall affect any right to indemnification to which persons other than such Directors and Officers may be entitled by contract or otherwise. The rights to indemnity hereunder shall continue **as** to a person who has ceased to be Director, Officer or Employee or Agent and shall inure to the legal representative of such person in the event of death.

11.08 Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article XI, except as provided in Section 11.04 or 11.05(c), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles, these **Bylaws**, a resolution of the Members, or an agreement in effect at the **time** of the accrual of the alleged cause of action asserted in the proceeding in which the expenses **were** incurred or other amounts **were paid**, which prohibits or **otherwise limits** indemnification: or

(b) That it would be inconsistent **with any** condition expressly **imposed** by a court in approving a **settlement**.

11.09 Insurance. The Association shall **have power** to purchase **and maintain** insurance on behalf of **any agent** of the Association ~~against any liability asserted~~ **against** or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Association would have the power to indemnify the agent **against** such liability under the provisions of this Article XI.

ARTICLE XII Miscellaneous

12.01 Withdrawal from Association Reserve Accounts. All withdrawals from the Association Reserve Accounts, as that term is defined in California Civil Code Section 13655, shall be signed by at least two members of the Board or one member of the Board and one officer who is not • Member of the Board.

12.02 Check, Draft, etc. All check, draft or other order for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time shall be determined by resolution of the Board of Directors.

12.03 Contracts, etc. - How Executed. The Board of Directors, except as otherwise provided in the Restrictions, may authorize any officer or officers, agent or agents, to enter into contracts or execute any instrument in the name 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, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or any amount.

12.04 Inspection of Articles and Bylaws. The Association shall keep in its principal office for the transaction of business the original or a copy of its Articles of Incorporation and these Bylaws as amended to date, which shall be open to inspection by the Members at all reasonable times during office hours.

12.05 Annual Report and Other Financial Information. The following financial information shall be regularly prepared and distributed by the Board to all Members regardless of the number of Members or the amount of assets of the Association.

(a) Budget. A budget for each fiscal year consisting of the following information shall be distributed not less than forty-five (45) days and not more than sixty (60) days prior to the beginning of the Association's fiscal year:

(i) The estimated revenue and expenses on an accrual basis:

(ii) The identification of total cash reserve currently set aside:

(iii) The identification of the estimated remaining life of and the methods of funding used to defray the future repair, replacement, or additions to, those major components of the Community Facilities and other areas within the Covered Property for which the Association is obligated to maintain:

(iv) a general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components of the Community Facilities and other areas within the covered Property that the Association is obligated to maintain.

(b) Annual Report. A copy of the Association's annual report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year to all **Members**:

- (i) a balance sheet as of the end of the fiscal year,
- (ii) an operating (income) statement for the fiscal year,
- (iii) a statement of changes in financial position for the fiscal year,
- (iv) for any fiscal year in which the gross income to the Association exceeds \$75,000, a copy of a review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy, and
- (v) a statement of the place where the names and addresses of the current Members may be found and any information regarding certain transactions required to be reported by Section 8322 of the California Corporations Code or any successor statute hereof.

If the annual report is not prepared by an independent accountant, it shall be accompanied by a certificate of an authorized officer of the Association stating that the financial statements were prepared from the books and records of the Association without independent audit or **review**.

In addition to financial statements, the Board shall annually distribute within sixty (60) days prior to the beginning of the fiscal year **a statement** of the Association's policies and practices in enforcing its remedies against Members for defaults in the **payment** of Regular and Special Assessments including the recording and foreclosing of liens against the Member's Residence.

12.06 Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors and having been so determined is subject to change from time to time as the Board of Directors shall determine.

12.07 Conflicts. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In case any of ~~these Bylaws~~ conflict with any applicable **law or** statute of the State of California, the provisions **of said law or** statute shall control.

ARTICLE!! XIII
Amendments

13.01 Effective Date. These Bylaws shall be effective upon the approval by the vote or written consent of Members representing not less than fifty-one percent (51%) of the voting power of the membership of the Association, which vote is being taken in connection with the merger of the Huntington Adult Community Foundation, a California corporation, and the Huntington Landmark Adult Community Association No. 1, a California corporation, or upon such later effective date specified in such Member approval, such later date to coincide with the effective date of such merger (•Effective Date•).

13.02 Amended and Restated Bylaws. These Bylaws amend, supplement, restate, supersede and replace those certain Bylaws of the Huntington Landmark Adult Community Foundation heretofore adopted, as the same may have been amended, and such previous Bylaws shall be of no further force and effect as of the Effective Date.

13.03 Subsequent Amendments. These Bylaws **may be** amended by the vote or written consent of Members representing not less than a majority of the voting power of the membership of the Association. Notwithstanding the foregoing, the percentage of voting power necessary to **amend a** specific clause or provision of the Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.