

**COMBINED MEETING OF THE BOARDS OF DIRECTORS
MONTEREY DUNES COLONY ASSOCIATION
AND
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION
SPECIAL WORKING MEETING**

March 15, 2014

PRESENT

Frank Williams, President
Bob Dickinson, Vice President
Jeff Schwartz, Director
Bill Michaels, Director
Tom Bugary, Secretary and General Manager

ABSENT

Ted Swanson, Treasurer

WELCOME

Frank Williams called the special working meeting of the Board to order at 1:00 PM, March 15, 2014 at the Monterey Dunes Colony Clubhouse. The purpose of the meeting was to review the Bylaws of the Association and make comments and/or recommendations on updating these documents prior to putting them out for a vote of the membership. The rewrite of our governing documents was due, in part, to changes in the law over the past few years as well as a complete restructuring of the Davis Stirling act, (Civil Code), by the Legislature.

Tom Nolan asked if the rewrite of the CC&R's had been done incorporating the changes made at the January 18, 2014 Special Working Meeting; the answer to his question was "no, that will be done at the same time that the draft of the bylaws are done based on this meeting".

Mr. Nolan then said that he would like to make a personal statement. He stated that he was very concerned about civil lawyers in general and, specifically, whether the attorneys that drafted our governing documents are acting in the best interests of the homeowners at the Colony; he doesn't think so. Mr. Nolan thinks that we should have a sub-committee made of experienced, independent attorneys in order to review, with a fine-toothed comb, the governing documents, even calling in experts relating to various sections (i.e. insurance), before they are sent to the membership for approval.

If he still has issues with the governing documents when they are being sent out to the membership for approval, he plans on "providing an information sheet to the membership when the board sends the ballot out. I am entitled to that legally." The board encouraged Mr. Nolan to let them know if he had any specific people in mind to review the governing documents. Mr. Nolan responded that he will talk to some retired lawyers here in the community or maybe a professor from Stanford Law School and will get back to us. In conclusion, Mr. Nolan thanked

the board for their time and stated that he was exhausted and going home.

After Mr. Nolan had left, Bob Dickinson made the observation that the attorneys had given us a generic set of governing documents with a slant towards protecting the client (the Association) and left it up to us to make necessary changes. Tom Bugary pointed out that the attorneys did, indeed, use a generic template for our governing docs but that the board had picked that option to save money.

Next the proposed bylaws were discussed. The following changes were made:

1. Section 5.7, line 22-23: Delete “, unless election is prohibited by law.”; and,
2. Section 11.1, line 20: Change to match the wording of the revised CC&R’s. The intent is to have major revisions approved by 2/3 of the Total Voting Power (i.e., Members in Good Standing) as the current practice, with the new exception delineated after the “provided, however,” words in 11.1 Amendments to Bylaws and CC&R’s should be identical.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:00 p.m. The revised bylaws, as well as the revised CC&Rs, will be distributed to the homeowners and discussed again at the next working meeting on May 17, 2014.

FOR THE BOARD OF DIRECTORS:

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Thomas J. Bugary, CMCA, CCAM
General Manager and Secretary