

HACIENDA CARMEL

Ground Rules

Introduction

Hacienda Carmel is a Community Association, incorporated under the Laws of California and subject to those Laws. In addition, we are bound by the Declaration of Covenants, Conditions and Restrictions filed with the State of California. These Ground Rules constitute constructive notice of other Rules, Conditions and Restrictions, established by the Board of Directors and as interpreted by the California Supreme Court (*Nahrstedt vs Lakeside Village Unitminium Association*, Sept. 1994). Violation of these Ground Rules could result in a fine as set by the Board of Directors.

The Association and the Owners recognize that the arrangement of Units within the property requires more control over and limitation upon the rights of the Owners of the Units than is required in more traditional forms of property ownership. In order to promote the health, happiness, and peace of mind of a majority of the unit Owners, since they are living in such close proximity, each Owner must give up a certain degree of freedom of choice which that Owner might otherwise enjoy in separate, privately owned property. It is therefore essential to successful living among the Unit Owners and for the maintenance and stabilization of property values that the Owners of Units adhere to the Association's Amended & Restated Declaration of Covenants, Conditions and Restrictions, ByLaws and Ground Rules. These rules apply to Lessees as well as to Owner-Occupants and their respective Guests.

In the event these Ground Rules conflict with the Association's Governing Documents, the Governing Documents will prevail.

FACILITIES

The ***BULLETIN BOARD ROOM*** is located in Casa Central. The bulletin board on the east wall of this room contains official notices of current interest to all Residents. Copies of minutes of Board Meetings are posted there as well as financial reports, etc. The north wall bulletin board is devoted to notices of interest to our Residents. To post a notice on the bulletin board, please see the Front Desk. Postings in the locked case are at the discretion of the General Manager. Political notices of any sort are not permitted at any time. The Association reserves the right to remove objectionable or outdated material at any time.

CARPORTS A limited number of carports is available for use by Residents at an additional fee as set by the Board of Directors. Residents desiring space may apply to the Business Office to be placed on the waiting list. All space assignments must be made through that office. Individual holders may not reassign their space to others and they cannot be included with the sale of a unit.

CAR WASHING STATION The car washing station is located on the west side of Carport 4, next to the street. Please wash cars at this location only.

CASA AMIGOS is our 'Guest House' for relatives and friends who visit and cannot be accommodated in the individual Units. Anyone staying in Casa Amigos must be sponsored by an Association Member or Lessee. Smoking and Pets are not allowed in the guest house rooms. Reservations may be made by contacting the Front Desk. Stays of over 30 days are prohibited but in special cases may be approved in advance by the Board of Directors. Check out time is 12:00 noon.

CASA CENTRAL is our central facility. It contains our Front Desk, Dining Room, West Room (a private room for dining or parties) Library and Corporation Offices as well as our Lounge. It is open seven days a week from 7:00 a.m. to 10:00 p.m. You are welcome to think of it as an extension of your living room; always respecting the rights and needs of other users. All doors, other than the main front entrance of Casa Central, will be locked at 8:00 p.m. Please consult the Activities Committee for Bridge and other groups which use Casa Central on a regular basis. Private groups may be scheduled on an ad hoc basis at the Front Desk.

The **COFFEE STATION** provides complimentary coffee, tea, and water to those Residents using the Lobby, West Room or Casa Fiesta. When patronizing the Dining Room, diners are expected to purchase coffee offered with meals, and not utilize the complimentary coffee from the station. Please do not overfill cups as spillage stains the carpet. Filling a thermos or coffee pot from the station for use elsewhere is not permitted.

The **COMPUTER** in the Casa Central Lobby is for the use of qualified Hacienda Carmel Residents and their Guests. The computer should not be used by Resident's private employees or Guests of such. Time on the computer should be limited to 30 minutes. There is an internet connection and a printer on the system. The computer is programmed to completely reset once it is turned off, therefore, no documents can be stored on the computer's disk. Problems with the system should be reported to the Front Desk. Hacienda Carmel employees will not attempt to correct problems with the system, as attempting to troubleshoot may result in a system failure, but will contact the vendor on behalf of the Association.

SIGNS DISPLAYED IN LOBBY: There are to be no signs of any kind – for the announcement of events, celebrations of any sort, advertisements, picture displays, etc., displayed in the Lobby. All signs and notices should be given to the General Manager for display in the locked case above the coffee area or on the Bulletin Board as appropriate.

WIRELESS CONNECTION There is a wireless connection in the Casa Central Lobby which is for use by Residents and their Guests. The SSID for the connection is "Hacienda" and there is no password needed. This connection is a hot spot connection only and is not secure. Users are warned that connections to secure websites and personal banking may be compromised by anyone connected to the wireless at the same time. The range of the wireless extends approximately 30 feet from the modem, located in the Library.

CASA FIESTA is the primary venue for Association meetings, concerts, and other organized entertainments. It is under the general oversight of the Board of Directors, the General Manager and the Activities Committee. The facility includes a kitchen and stage and may be made available for private use by Residents when not in conflict with any of its primary purposes. Reservations must be made in a timely manner in order to prevent conflicts and disappointments. Charges for the facility, for use by Members and their Guests, is minimal and covers the cost to the Association for set-up of the event and any linens or other supplies provided. For such uses, the group must include at least one member of the Association. Charges for use are subject to change at the discretion of the Board of Directors. Other uses are not permitted except under the specific authorization of the Board of Directors.

The **DINING ROOM** is open on a schedule set by the Board of Directors. Please consult the notice at the Front Desk or on the back of your weekly bulletin for current days and hours of operation. Residents may charge meals to their own Units or pay in cash at the Front Desk. Your Guests may be served but, as required by the Franchise Tax Board, sales tax will be collected on the meals of all non-Members (and also on any alcohol or carbonated beverages ordered by Members and non-Members alike). Tipping is permitted and encouraged in the Dining Room. Gratuities may be added by you to your dining room ticket. (The Dining Room and the Hair Dressing Salon are the only places in Hacienda where gratuities are expected or permitted.)

Meals will be delivered to individual Units upon request when the Dining Room is open. Please contact the Front Desk to make arrangements. Tax will be charged on all meals delivered outside of the Dining Room.

Special Parties may be catered in the West Room or Casa Fiesta with adequate prior arrangement.

EGON C. DURR BOARD ROOM adjoins Unit 248, across from the south-west corner of Casa Fiesta. This is the official board and committee room and may be used by private member-hosted groups on a by-appointment basis. Please check with the General Manager to make an appointment.

The **FRONT DESK** in Casa Central is the primary source for information regarding Hacienda Carmel operations. In addition, the Front Desk acts as an extension of the U.S. Post Office. The Association picks up mail for Hacienda Carmel Residents at the post office and distributes it to individual mailboxes, located behind the desk. Mail distribution is usually completed by 2:00 p.m. Stamps may be purchased, letters and packages (up to ten pounds) mailed, and UPS and Fed Ex packages may be received or picked up as well. Additional services provided by the Front Desk include taking messages for the Maintenance and Grounds departments as well as for other staff members, scheduling stays in Casa Amigos, taking Dining Room reservations or orders for meal deliveries from the Dining Room, and directing Members to the correct department for problem resolution. All requests for staff assistance should be directed through the Front Desk. The Front Desk may be reached on Hacienda Carmel phones by dialing "0."

G&G ROOMS These rooms are attached to the laundry rooms and are so named because the developer originally named them "Game & Gossip rooms," a place to sit with friends while waiting for the laundry to be done. Over the years the majority of these rooms have taken on a different life, being transformed into facilities such as the Board Room, the Beauty Shop, Casa Tesoros, the Book Shoppe, etc.

A “**HEALTH CENTER**” (*Assisted Living Facility*) currently operated by Victorian Homes, is located in the east wing of the Casa Central. This facility is available to Members of Hacienda Carmel on a pre-arranged basis through Victorian Homes. The monthly fee for the facility is also set by Victorian Homes and is charged separately by them. Hacienda Carmel Residents will have priority of an available room, over those emanating from outside Hacienda Carmel.

LAUNDRY FACILITIES are available at several locations. Kindly refer to the map for the facility nearest your unit. Laundry hours are 8 a.m. to 8 p.m., doors are locked at other hours. Laundry rules are prominently displayed on the wall. When using these facilities, please be mindful of the needs of others. Laundry facilities are for the exclusive use of Hacienda Carmel Residents and their Guests, or for those doing laundry on behalf of a Resident.

The **LIBRARY** in Casa Central, located on the west end of the Lobby, is available to all Residents for borrowing, reading or reference. Please follow these rules:

- Please read and enjoy our books. Check them out and return them to the Book Bin so that they may be enjoyed by your neighbors as well.
- Library books must be checked out. They may be checked out for a three week period. Please complete a checkout slip for each book and place it in the “checkout box.” Any books taken without being checked out are lost to our library inventory.
- Books are overdue after three weeks. An overdue pink slip notice will be sent to Residents with overdue books.
- Reference and browsing books may not be removed from the Library.
- Magazines may be borrowed and do not require checkout documentation. Please return them to the magazine rack.
- Audiotapes and videotapes may be checked out on the honor system. Please rewind tapes before returning to the Book Bin. A tape re-winder is available at the Lobby Front Desk.

All books should be returned within three weeks. Books and videos must be returned to the Book and Tape Bin, near the house phone, and not be lent to another person. Paperbacks should be returned to the basket by the Paperback Room door.

PAPERBACK LIBRARY This Library is located in the Bulletin Board Room. Separate sections are provided for mysteries, general fiction, science fiction, etc. Within these sections, books are shelved alphabetically by author. Do not re-shelf a book, leave it in the basket by the door to be reshelfed by the Librarian. Borrowed books should be returned to the basket provided near the door. Damaged books should be rubber-banded with a note to the attention of the Librarian. The book will be repaired if possible and returned to circulation. Do not keep paperback books over two weeks.

The ***WEST ROOM*** in Casa Central is a delightful, private room that may be used by Members and their Guests for a myriad of uses. Located off of the main dining room, it may be used as a private dining area, a private party room, a place for memorials, a room for various Association activities, a quiet lounge for reading or watching the large screen TV, or a place to sit and work on one's own computer. Arrangement for exclusive use of the room may be made through the General Manager.

RECREATIONAL & ACTIVITIES FACILITIES

ACTIVITIES AND SPECIAL EVENTS. Activities and special events are sponsored by the Hacienda Carmel Activities Committee. A list of Activities sub-committees and contacts is distributed annually and should be kept with your Membership manual. Special events are advertised in the Weekly Bulletin.

THE BERM, surrounding Hacienda Carmel, is our primary flood protection. The path may be used by Residents and Guests for walking during daylight hours. Bicycles and horses are specifically forbidden at all times. Use by the general public is not permitted as such use, if not forbidden, could prejudice our reserved rights-of-way. Trash may not be thrown over the bank; call the Front Desk for a Patio Pick-Up. Dog droppings must be disposed of in the receptacles provided.

THE BOOK SHOPPE, located across from Casa Central in G&G #2 & G&G #3, features used books at bargain prices. Book acquisitions are added weekly. Normal hours are Saturdays from 11:00 a.m. to 1:00 p.m. Residents are urged to view the large selection of used books for sale. All sales go to fund new acquisitions for the Hacienda Carmel Library. Donations of used books to the shop may be made by calling the current chairperson or the Front Desk for pickup. The Book Shoppe/Library has committee status and makes a financial report to the Board of Directors on an annual basis.

BOWLING GREEN, PUTTING GREEN are adjacent to Casa Central. They are for the enjoyment of Residents and their Guests and may be used without prior appointment.

CASA TESOROS The Hacienda Carmel “House of Treasures” is a resale shop located on the west end of the property, at the back end of Carport 5. Normally open Wednesdays from 10:00 a.m. to 1:00 p.m., the Casa Tesoros is the main source of income for all Hacienda Carmel Activities. (The Activities Committee makes a financial report to the Board of Directors) Residents are urged to view the many treasures the shop has for sale, and to donate items no longer needed. Call the current Activities Committee Chairperson or the Front Desk for pickup of items to be donated. Regretfully, Casa Tesoros cannot take electronics or large furniture items. Special events at the shop are advertised in the Weekly Bulletin.

DOG RUN The dog run is located south of the Garden Club on the westernmost 4.7 acres of Hacienda Carmel. For use by Hacienda Carmel Residents and their Guests, all dogs must be accompanied by their handlers at all times. When using the Dog Run courtesy and safety is the name of the game. Dogs that do not play well together should not be in the run at the same time, all dogs must be picked up after, and the run should be kept tidy for the next user.

The ***FITNESS CENTER*** is located at rear of Casa Fiesta, and may only be used by Members and adult Guests (18 or older) — no children at any time. The center is equipped with state-of-the-art equipment such as a treadmill, stationary bikes, walkfit, power rider, etc. Open 6:30 a.m. to 8:00 p.m. Contact Front Desk for information.

The Hacienda Carmel **GARDEN CLUB** is a club which can provide separate planting areas for those who desire them, if plots are available. The Garden Club area is located on the westernmost 4.7 acres. Garden Club Members pay a member's fee and/or a fee for separate gardening plots. Ask at the Front Desk for the name of the current President. The Garden Club has committee status and reports financially to the Board of Directors on an annual basis.

A **SEWING ROOM**, fully equipped, is located in G&G #4. Ask at the Front Desk for the key.

SWIMMING POOL No Life Guard is provided at the swimming pool. Rules are prominently displayed near the pool, including open hours. The pool is available for use from dawn to dusk. Pool is not to be used at other times. Users are responsible for their own well being and safety and use the swimming pool and surrounding area entirely at their own risk. The posted rules are as follows:

1. There is no Lifeguard on duty. Everyone uses the pool at his/her own risk.
2. Pool privileges are extended only to the following persons: Regular and Associate Members of the Association, Renters of Hacienda Carmel, Guests of Members and Renters of Hacienda Carmel.
3. No more than four (4) Guests of Members or Renters may use the pool at one time. Children under 16 may use the facilities between 10 am and 3 pm and only if accompanied by a sponsoring Resident or adult Guest.
4. Organized Association activities (e.g., aquatic exercise groups) have precedence during scheduled hours over open swimming.
5. Diving, running, horseplay or loud noise in the pool area is not permitted at any time.
6. Any maintenance or safety problem should be reported immediately to the Front Desk in Casa Central.

The **TERMITE SHOP** is situated just east (across the parking lot) of Casa Central. This wood-working shop is open to all Residents who desire to use it. The key must be signed out at the Front Desk. Residents are free to use the Termite facilities at their own risk. The Management and Board of Directors does not assume responsibility for any accident or claim of any kind arising from such use, directly or indirectly. Residents are required to clean up after use of the facility. Residents are requested not to use loud power equipment in the Termite Shop after 8:00 p.m.

GENERAL MEMBER SERVICES

COPY SERVICE is available at the Front Desk at rates set by the Board of Directors.

DOCTOR ON SITE SERVICES Dr. Ronald Villemaire, an independent physician, sees patients by appointment only, on site, each Tuesday. Please call the Front Desk to schedule an appointment and for directions to the doctor's office site.

EMERGENCY INFORMATION LINE The Association has an in-house emergency line that will be updated with information on pending emergency situations, such as heavy flow in the river, storms, electrical outages, water outages, etc. Please dial 7838 from Hacienda Carmel phones. Family Members calling from outside Hacienda Carmel can dial (831) 625-7838.

FAX SERVICE is available at the Front Desk, at rates set by the Board of Directors. Our FAX number is (831) 625-7813.

GARBAGE is picked up weekly, usually on Thursday morning. Exceptions are announced in the Weekly Bulletin. You may request a special Patio Pick-up from the Front Desk before 3 p.m. on weekdays for same day service. Please leave items for Patio Pick-up inside the Patio gate.

GARDEN SERVICE see "Maid and Garden Services."

HAIR DRESSING and ***BEAUTY SERVICES*** are provided by a concessionaire. The shop is located next to Unit 280, near the main entrance road. (Tipping is permitted and encouraged in this facility.)

HOUSE VAN SERVICE to local shopping areas and churches is provided according to published schedule. Please ask at the Desk for current information.

MAID SERVICE and ***GARDEN SERVICE*** for individual Units and patios are provided on an as available basis and at rates set by the Board of Directors. Call the Front Desk for an appointment.

MAIL please see "FRONT DESK," under Facilities, for information.

MAINTENANCE is provided by Association staff in accordance with the Association's responsibility as stated in Article 9 of the Amended and Restated Declaration of CC&Rs. Any maintenance performed by the Association inside of a Unit or in an Exclusive Use Common Area, which falls outside of the scope of the Association's responsibility will be charged to the Unit Owner at a fee schedule set by the Board of Directors. Maintenance on Units is provided on a first-come, first-served basis, with the exception of emergency water leaks which may do damage to property. Call the Front Desk to request maintenance services.

MEDICAL ASSISTANCE Hacienda Carmel staff cannot provide medical assistance to the general population of Residents. With the exception of the scheduled RN, neither can the staff of Victorian Homes. Security personnel will respond to an emergency and will dial 911 if medical attention is needed.

PLUMBING REPAIR SERVICES With a view to minimizing both immediate and consequential damage to the property and costs for both the Association and Unit Owners, water or sewage backups or overflows or leaks within or into a Unit must be reported immediately to the Front Desk for repair by or at the direction of the Association, as provided for in Section 9 of the Amended and Restated Declaration of CC&Rs.

A ***REGISTERED NURSE*** is provided by Victorian Homes for all Hacienda Residents, on a schedule set by Victorian. Please contact the Front Desk for the current nurses' schedule.

ROUTINE GARDEN AND LAWN SERVICES in the common areas are provided by the Management on a scheduled basis. Only special items, such as fallen limbs, need to be reported to the Front Desk. Private patio gardening can be arranged (as stated in Maid Service & Gardening Service) by calling the Front Desk.

SMOKE AND FIRE DETECTORS - A modern system of detectors installed in all Units provides 100% protection to all living quarters. The alarm system is monitored by a licensed central station. A trained staff responds to smoke alarms 24 hours a day. The fire department responds automatically to all fire signals. The activated smoke and fire detectors send address information to the central station for a quick response. *Please be advised that all fire alarms, system wide, will be activated if the need for Resident evacuation arises.*

Please share your ***TRAVEL PLANS*** if you are to be away overnight or longer. The Security Staff needs to know that your Unit will be empty. Also, it is helpful to know where you can be reached. Forms are provided at the Front Desk.

UNIFORMED SECURITY PERSONNEL are on-site from 4 p.m. to 8 a.m. daily. They may be contacted by calling the Front Desk during open hours, or by calling the mobile Security Phone after hours. Dial 0 day or night. The function of security is provided by the gardening and maintenance staffs during regular weekday working hours and some weekends. Security and other staff will respond to emergencies and will contact 911 if medical attention is required.

A ***WEEKLY BULLETIN*** is provided on Saturday morning to keep you informed of special announcements and events.

GROUND RULES RELATING TO INDIVIDUAL UNITS

1. ***OCCUPANCY***: No person shall occupy any Unit or reside permanently therein who has not first obtained written consent of the Association (Amended and Restated Declaration of CC&Rs, Article 5.2.1). Occupancy of Units and/or the Guest House (Casa Amigos) by persons not so authorized shall not exceed an aggregate of 30 days in any 6-month period. For persons under 18 years of age, the limit shall be 14 days in any 6-month period. Hacienda Carmel has elected to be classified as a Senior Housing Facility under the Federal Housing Act. As a result, persons under 55 years of age shall not qualify as Qualifying Residents. Qualified Permanent Residents, who may reside with a Qualifying Resident and are 45 years of age or older or are a spouse or co-habitant of the Qualifying Residents, and any other Permanent Occupants must comply with residency requirements as stated in the Senior Housing Residency Restrictions adopted by Hacienda Carmel. All Residents, regardless of status, must be approved for occupancy by the Association prior to occupying the Unit.

These rules shall not interfere with the authority of the Association to permit unqualified persons to reside with an Authorized Occupant as a Home Health Aide when necessary for the well-being of the Resident. Occupancy approval is required.

2. ***SCOPE OF ASSISTANCE BY STAFF***: Hacienda Carmel is not a community licensed as a “continuing care retirement community,” a “residential care facility for the elderly,” or otherwise equipped to accept responsibility for or care for persons who are not capable of safely living independently. The Association does not provide care or supervision of Residents, assistance with activities of daily life, assisted living services, or care programs of any kind for Residents. Should an emergency arise, staff will respond and contact emergency services as necessary. Ongoing or frequent requests by a Resident for staff to respond to emergencies of any sort should be indicative of that individual’s need to seek out a community with an advanced level of care.
3. ***CHARGES AND ASSESSMENTS***: All charges accruing to the Owners or Renters of individual Units are due and payable upon presentation of the monthly or other appropriate statements. Statements are usually sent out by the eighth business day of the month.

Thirty (30) days after any such charges have been presented, such charges shall become delinquent. On the tenth of the month following the delinquency of any charge, a twenty-five dollar (\$25) late fee will be charged for each month, and subsequently each month an additional twenty-five dollars (\$25) will be charged for any past-due balance. At any time after any general or special charge or assessment against a Unit has become delinquent, the Association may record a Notice of Delinquency. Immediately after the recording of any Notice of Delinquency, it shall become a lien upon the Unit for the amount of such charge and shall include interest, costs (including attorneys’ fees) and penalties which have accrued thereon. Each lien established as outlined herein may be enforced by foreclosure. All delinquent charges will carry an interest rate of twelve percent (12%) per annum.

Charges include but are not limited to Cable TV, Carport, Dining Room, and Long Distance Phone charges. Assessments include the monthly maintenance charges and any special assessments levied by the Board of Directors as provided by the Amended and Restated Declaration of CC&Rs.

4. ***SALE, LEASE OR RENTAL OF UNITS:***

- a. **Sale:** Owners will inform the General Manager before putting a unit on the market. The sale and occupancy of Units must conform to the Association's governing documents and are subject to use restrictions (Amended and Restated Declaration of CC&Rs, Article 5) and the Senior Housing Residency Restrictions.

Notices of offers for sale of Units may be posted in the Real Estate binder, located at the Hacienda Carmel Front Desk.

To cover the costs to the Association, a transfer charge, as set by the Board of Directors is payable by the new Owner, or in the case of a new Renter, by the Owner of the rental Unit. The charge will be included in the first monthly bill.

- b. **Rentals:** Not more than fifteen percent of the Units within Hacienda Carmel shall, at any particular time, be leased or rented. This limitation shall not apply to any Unit that was being leased or rented as of March 2, 1993, but shall apply to any such Unit if legal title to such Unit has been or is transferred, or the Owner of said Unit has occupied such subsequent to that date. A list of those waiting to rent their Units is maintained by the Association business office and any Owner wishing to be placed on the list should submit a request to this office.

Once qualified as a rental, an Owner may continue to rent his or her Unit until legal title has been transferred or the Owner of the Unit occupies. Should a Tenant leave, the Owner shall have 45 days to find a new Tenant or the rental shall no longer qualify and shall be placed on the bottom of the rental list. Owners of new rentals shall have 45 days to find a qualified Tenant or they will be placed on the bottom of the rental list and the next in line shall have an opportunity to rent.

Tenants must be approved for occupancy by the Board of Directors. An Application for Occupancy may be obtained from the Association's website or the Business Office. Each Owner renting a Unit shall be strictly responsible and liable to the Association for the actions of such Owner's Tenant(s) and for each Tenant's compliance with the provisions of the Governing Documents and for any unpaid charges to the Association for services or damages with respect to such Occupants. A transfer fee, set by the Board of Directors, will be charged for each new tenancy. The amount will be charged to the Owner on their monthly association statement.

Owners must submit a copy of their lease to the Association business office. No transient rentals, subletting, or time shares are permitted.

As security for the payment of all liens provided for under the Declaration of Covenants, Conditions and Restrictions, each Owner renting their Unit confers upon the Association the right, power and authority to collect rents, issues, and profits of the Owner's Unit should the Owner default on their assessments.

SALE, LEASE OR RENTAL OF UNITS, continued

- c. **Signs and Advertising for Sale or Lease:** "For Sale/Lease" signs must be no larger than 8" x 14" and may be displayed in the kitchen window only. There is no restriction on newspaper advertising or showing of "Open Houses." "Open House" signs must be no larger than 18" x 24" and are limited to a maximum of three per Unit in the common area. No real estate signs shall be placed in front of the Hacienda Carmel sign, or in front of any other Association signs. (See also Amended and Restated Declaration of CC&Rs, 5.15 for additional regulations regarding signs.)
 - d. **Copies of Governing Documents for Real Estate and Lender Use:** Copies of the Association's governing documents are available on the Association's website: haciendacarmel.us. The cost of copies of these documents is included in the transfer fee charged on all sales by the Association.
 - e. **Transfer Fee:** There is a \$1,000 transfer fee charged on all sales. The transfer fee is traditionally charged to the buyer of the Unit and covers the Association's costs in providing necessary paperwork, setup of records, disclosures and Unit certifications, Membership manual and social badges for the new Members, additional maintenance required at the time of sale, and termite work. Transfer fees are normally charged during the escrow process and are paid to the Association with an escrow check. The transfer fee relating to new rental contracts is \$250 and is charged to the Owner of the Unit by the Association.
5. ***BUILDING ALTERATIONS*** : The process for alterations is detailed in the Amended and Restated Declaration of CC&Rs, Article 7. Painting or other alteration of the external appearance of a Unit is not permitted, except as noted below. With prior Buildings and Grounds Committee approval, and at the Owner's expense, the patio wall or a wood patio door, or front entrance door may be painted one of the Association approved colors for outside building surfaces. With prior Buildings and Grounds Committee approval, windows or patio doors may be replaced and the replacement must conform with the Hacienda Carmel Guidelines. Pre-painted or pre-finished replacement of patio doors or windows must conform to the Hacienda Carmel Guidelines and also require Buildings and Grounds Committee approval prior to installation. All such changes require a "Request for Change" form, which is available at the Front Desk, and should be submitted to the General Manager prior to approval by Buildings and Grounds.

For major remodel, internal structural changes, and additions the Owner will be required to use a licensed contractor with current insurance. A "Request for Change" form and plans should be submitted to the General Manager prior to Buildings and Grounds approval. All necessary permits should be obtained by the Owner and his contractor.

Replacement of carpets, cabinets, sinks and built-in appliances do not require approval unless the structure of the Unit is invaded. Please note, however, that the Association cannot provide maintenance support of other than 'standard issue' items.

6. **SKYLIGHTS:** The Owner of each Unit containing a skylight in the roof over the living area or in the roof overhang above the Private Enclosed Yard shall be responsible for maintenance, repair, and replacement (when necessary) of such skylight as well as any incremental cost that may be incurred by the Association in the performance of its responsibility to maintain, repair, and replace the roof, which cost results from the presence of such skylight.

7. **FRANKLIN STOVES & FIREPLACES** require approval before and after installation. Such devices shall not be used for the disposal of paper, packing material or similar waste. Any franklin stove or other fireplace or chimney addition and any gas line for a fireplace other than a gas line as installed by the developer or replacement thereof installed by the Association shall constitute part of the Unit they serve and shall be the responsibility of the Owner as provided in Section 9.4 of the Amended and Restated Declaration of CC&Rs. The Association shall not be responsible for the improper use of such facilities. Smoke from wood burning fireplaces should be minimized through the use of clean dry wood and attention should be given to any neighbor that might be impacted by it, so as not to cause a problem.

The Association shall periodically inspect the Exclusive Use Common Area spark arresters, chimney flues, flue dampers, and fireboxes of original mortared fireplaces as installed by the developer and replacements thereof installed by the Association serving the Units and shall direct such maintenance, repair, and replacement to be performed as the Board determines is appropriate to maintain the same in a safe and serviceable condition. The cost of such inspection, repair and replacement shall, if initiated by the Association, be borne by the Association.

8. **PATIOS:** Planting of Patios is at the individual Owner's discretion, except that:
 - a. There shall be no disruption to the drainage.
 - b. The external appearance of the Unit may not be modified except as noted in Ground Rule 4 above.
 - c. Trees may not be planted in the patio without approval from the Buildings and Grounds Committee, because of potential root damage to the concrete foundation.

9. **NOISE:** TVs, radios and all such sound sources shall be kept at a volume which will not be heard in the neighboring Units. No Resident shall permit noise, including but not limited to the barking of dogs, to emanate from the Resident's Unit that would unreasonably disturb another Resident's enjoyment of his or her Unit or of the Common Area. Generators shall not be installed or used within any Unit or on any Private Enclosed Yard except with prior architectural approval and in compliance with all restrictions imposed by the Association.

10. ***OUTSIDE DRYING OR LAUNDERING:*** No outside clothesline or other outside clothes washing, drying, or airing facilities shall be maintained in Hacienda Carmel.

11. ***SHORTWAVE OR OTHER RADIO OPERATIONS:*** The operation of any shortwave or any other kind of radio transmitter from any Unit is not permitted without prior written authorization of the Board and then only if such operation does not in any way interfere with radio, television, or other electronic signal reception in any other Unit or Common Area.

GROUND RULES RELATING TO COMMON AREA

12. ***COMMON AREA CONSTRUCTION OR ALTERATION:*** Except as may be authorized by the Board, no person or entity other than the Association or its duly-authorized agents shall construct, reconstruct, refinish, alter, or maintain any improvement upon the Common Area, or shall make or create any excavation or fill upon the Common Area, or shall change the natural or existing drainage of the Common Area, or shall plant, remove, or destroy any seed, plant material, tree, shrub, or other vegetation upon the Common Area (other than upon Exclusive Use Common Area).
13. ***EXCLUSIVE USE COMMON AREA OR UNIT - OWNER'S RESPONSIBILITY:*** If an Owner or Lessee of a Unit arranges for and/or repairs or replaces any item in their Unit or in the Exclusive Use Common Area that is normally the responsibility of the Association, without prior authorization of the association, the entire cost of the repair or replacement will be the responsibility of the Unit Owner or Lessee. This refers to any items specified as covered by the Association in Article 9 of the Amended and Restated Declaration of CC&Rs.
14. ***ADVERTISING:*** With the exception of Units for sale or lease at Hacienda Carmel and the occasional official polling place, all facilities, amenities and events at Hacienda Carmel may not be advertised outside. Outside advertising compromises the Association's licensing, liability, and parking capacity.
15. ***TRAFFIC:*** The speed limit on all streets and access roads is 15 MPH, except Via Mallorca, north of the bridge, which is 25 MPH. All drivers including Residents, Guests, employees of the Association, private employees, and drivers of commercial vehicles are expected to conform. STOP signs, including the sign at the north end of the Via Mallorca Bridge are in conformance with California State Law and must be obeyed. Pedestrians, including wheel-chairs, have the right-of-way at all cross walks. Any sidewalk which crosses a curb line at near right angles is a cross walk whether marked or not.

Residents have the legal right to use the access road from the East Gate to San Carlos Road during daytime hours. The gate at the San Carlos Road end may be locked between 5:30 p.m. and 8 a.m. and all day Saturday and Sunday. Security has keys in case of emergency.

Directional arrows painted on the street and in the carports shall be observed.

In all traffic matters extraordinary courtesy is required at all times.

16. **PARKING:** Parking should be confined to the marked areas whenever possible. Street-side parking for short periods is permitted, except:
- a. In cross-walks, marked or unmarked.
 - b. Where the curb is painted red.
 - c. On carport access roads, except for loading and unloading.
 - d. On the main access road from the bridge to the main ring-road, except for loading and unloading for a period of fifteen minutes – time limit strictly enforced. A fine of not less than \$250 may be assessed by the Board of Directors for violation of the time limit without prior approval of management.
 - e. Cars may not be parked with two wheels on the walkway except on the main access road for a period of fifteen minutes for loading and unloading – time limit strictly enforced. Wheelchairs have the right to unobstructed use of the walkway.
 - f. Cars may not be parked on the wrong (left) side of the roadway.
 - g. The front bumper of cars parked in the marked stalls shall not overhang the curb line.
 - h. Holders of carport stalls should defer to others in the use of street side stalls.
 - i. Handicap stalls (painted blue) shall be reserved for authorized users.
 - j. Campers, vans, pick-ups and similar vehicles may be parked only in spaces authorized by Management, usually at the ends of carports. Temporary parking for such vehicles owned by Guests may be available by arrangement with the General Manager. Sleeping in campers is not permitted. Please see additional restrictions regarding vehicles and parking in the Amended and Restated Declaration of CC&Rs, Article 5.16.

Residents shall inform Guests of parking restrictions as applicable.

17. **ALTERNATIVE TRANSPORT:** Except for battery driven carts and wheelchairs no wheeled vehicles shall be permitted on sidewalks, lawns or the berm. Horses are excluded from all parts of the grounds.

18. **CABLE TV:** Cable TV service is available through a bulk contract with Comcast Cable. The charge is added to the monthly bill. Premium service is available at extra charge, which will be billed to the Resident directly by Comcast Cable. Because reception boxes are now required by Comcast, individual Unit Owners must call Comcast at 1-800-856-2374 to commence service and set up a personal account to track all boxes and on-demand movies.

There are two box sizes covered by the Hacienda Carmel bulk account. Residents are eligible to receive one Digital Cable box, and two Digital Adaptors. The Digital Cable box allows you to receive expanded basic service, the digital starter package, digital music channels, on-demand movies, and the on-screen grid guide. The Digital Adaptor allows you to receive

CABLE TV, continued

only expanded basic service. Any more than one Digital Cable box and two Digital Adaptors per Unit will be billed to you (currently \$8.00 per month for each additional Digital Cable Box, and \$1.99 per month for each additional Digital Adaptor) by Comcast.

Please give Comcast your address (Unit #_____, Hacienda Carmel) and tell them you are on a bulk account. If you would like to avoid an installation charge, have them set up an account for you and tell them to mail the boxes to your address.

19. **SATELLITE AND OTHER ANTENNAS:** Placement of Satellite and other Antennas require prior approval by the Buildings and Grounds Committee.
20. **PRIVATE WORK BY ASSOCIATION EMPLOYEES:** Any Resident arranging for maintenance and gardening services with Association employees will be required, along with the employee, to sign a form of release that the Association does not endorse, insure, nor guarantee work performed by employees on their private time and that in performing work for the Resident they are doing so as a private party and not as an employee of Hacienda Carmel. No private work will be permitted to be performed by Association employees while they are scheduled to work for Hacienda Carmel, nor on break or lunch during the course of their regular work day.

Because providing personal or nursing care for Residents falls under the Health and Safety Code which is far outside the scope of Association services and the proficiency of Association staff, no employee of the Association will be allowed to provide private care giving of any kind for Hacienda Carmel Residents after hours, even as they are acting as a private party and not as an employee of Hacienda Carmel. To do so will jeopardize their employment by the Association. Nor can the Association or its employees recommend providers of care giving or nursing services, except to recommend that Residents contact a licensed and bonded provider of such.

21. **PEST CONTROL:** Residents with rodent or insect problems should contact the Front Desk. The Association will be responsible for eradication of pests on the outside of the Unit only. The Association may provide eradication of pests on the interior of Units, but interior pest control services will be billed to the individual Resident.

Termites should be reported to the Front Desk and the Association will take the necessary action for eradication and repair of damage. Any initial termite report is the responsibility of the Unit Owner. Reports should be forwarded to the Association and the required action will be taken. The Association will be responsible for the cost of eradication, repair, and final inspection.

22. ***VISITING CHILDREN*** need to be informed that Residents have a reasonable expectation about running, noise and horseplay. Any child using the swimming pool must be accompanied by an adult.
23. ***ENFORCEMENT OF GROUND RULES:*** The California Supreme Court has confirmed that Condominium Association Ground Rules are enforceable under California Law. Enforcement policies and procedures will be in accordance with the Civil Code of the State of California ["Generally, courts will uphold decisions made by the governing board of an owner's association so long as they represent good faith efforts to further the purpose of the Common Interest Development, are consistent with the development's governing documents, and comply with public policy." (Nahrstedt v Lakeside Village Condominium Assoc. 8 Cal.4th 361)] Violation of the Ground Rules could result in a fine as set by the Board of Directors.
24. ***EVACUATION IN FLOOD OR OTHER EMERGENCIES:*** Evacuation orders from the Sheriff's Department or other legitimate authority are mandatory. Refusal to comply puts others at risk and will be subject to sanctions by the Sheriff's Department. An emergency information line can be reached by dialing 7838 from Hacienda Carmel phones, or (831) 625-7838 from a phone outside of Hacienda Carmel. In order to notify all Residents of immediate evacuation, fire alarms in all buildings will be activated.
25. ***FRONT DOOR LIGHTS:*** These lights are provided for your safety when returning late and for easy identification by visitors after dark. When retiring, it is a courtesy to others to extinguish the door light as it may disturb Occupants of other Units.
26. ***INSURANCE:*** Insurance is carried in accordance with the requirements of the Civil Code of the State of California. However, Residents are on notice that such coverage may not be sufficient to protect all of the interests of individual Residents. For example, the coverage is restricted to structural coverage only and does not cover the individual Owner's personal property. Contents of Units should be covered by individual homeowners' insurance. The Association does not provide flood or earthquake coverage on contents. Condominium homeowners' or renters' insurance should be considered as well as a flood policy for personal content. During times that earthquake insurance is not carried by the Association on behalf of the Residents, coverage for this condition for personal property and an assessment policy may be purchased by individuals through the California Earthquake Authority. A complete schedule of coverage is published semi-annually and is distributed to all Owners. Copies of the semi-annual disclosure may also be obtained from the Association's website or the business office.

The Association endeavors to carry the highest level of flood insurance to coordinate with replacement costs covered by our fire and liability policy. Flood insurance carried by the Association is in conformance with FEMA's underwriting guidelines for an RCBAP policy. The Association, however, cannot be responsible for a small minority of lenders who refuse to accept the level of flood insurance carried by the Association, and therefore charge gap insurance to the mortgagee. This is a function of the individual lender and does not reflect upon the Association's conformance with required levels of coverage.

27. **LIQUOR:** Hacienda Carmel has a Club Liquor License issued by the California Department of Alcoholic Beverage Control and has a County Zoning Use Permit. The License covers Casa Central and Casa Fiesta. Liquor consumed on these premises must be provided by the Association ONLY. Beverage service may be provided by the Association to Members' private parties. Consumption of alcoholic beverages from member's private sources (in Casa Central or Casa Fiesta) could result in the loss of our license. Service may be provided to Residents and bona fide Guests only. Brands and prices are under the control of the General Manager as authorized by the Board of Directors. Special orders may be accommodated for private parties but require prior application to the General Manager.
28. **MAILBOXES:** The mailboxes at the Hacienda Carmel Front Desk in Casa Central are the official boxes of the Hacienda Carmel Community Association. As well as mail from the U.S. Post Office (see "Front Desk," under Facilities), the Association utilizes these mailboxes for official Hacienda Carmel mail which is to be disseminated by the Association.

Official mail includes:

Information from the General Manager

Information from the Board President

Information from official committees

Association newsletters, bulletins, and other official notices approved by the General Manager

General distribution of mail to Residents of Hacienda Carmel of any quantity will be limited to the above, and the determination of such will be at the discretion of the General Manager. Business advertisements or promotions will need to be mailed through the official U.S. mail service.

29. **PETS AND OTHER ANIMALS:** Hacienda Carmel Association is a 55-plus active community. It is a companion pet friendly Association, understanding the important role companion animals play in the overall health and well being of the Residents.

In regard to dogs, there are no restrictions as to size or breed. However, we do need proof of up-to-date rabies vaccinations. We also limit the number of pets a Resident may have to not more than two of each, dogs and/or cats. Exotic animals are prohibited, except with specific approval by the Board of Directors.

The three hundred Units are either connected or in very close proximity to each other, making courtesy and cooperation among the Residents vitally important. Many Residents are frail and concerned about not only their safety, but the safety of their companion pets. Living in a community as we do, rules and regulations regarding dogs are necessary to ensure the safe, tranquil environment of the Hacienda Carmel that we all love.

PETS AND OTHER ANIMALS, continued

There is a fenced “dog run” provided for dog Owners and their visitors’ dogs located on the west side of the property, behind the Garden area. While walking anywhere on the grounds, dog owners/visitors are required to keep their dogs on a leash and to pick up after them. Baggies for pet waste and receptacles for the same are located along the berm and at the dog run.

Excessive barking, even within the Residential Units, is not permitted. Pets must not be permitted to annoy other Residents. Hacienda Carmel reserves the right to request Owners/visitors to muzzle their dogs if the dog’s actions are deemed threatening to other pets, Residents, or staff. If a Resident is ultimately unable, or refuses, to comply with this request, the Association will have no other recourse but to require that the offending pet find another home.

Cats and dogs (other than guide dogs for the blind or hearing impaired) are not permitted in any part of Casa Central or Casa Fiesta at any time. Wild birds and animals shall not be encouraged to visit patios (except hummingbirds) by offers of food. Seeds, nuts and crumbs encourage the rodent population and quickly become a nuisance.

Please refer to the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hacienda Carmel, section 5.13, for additional regulations.

30. **SOLICITORS/CANVASSERS:** A primary concern of the Board of Directors of Hacienda Carmel Community Association is to protect the privacy of Authorized Occupants who live in the Units of the Association. Door to door soliciting and canvassing is strictly prohibited and violators should be reported immediately to management. In order to further protect the privacy and quiet and peaceful enjoyment of Occupant’s property, the Board of Directors has determined that door to door soliciting, canvassing, and dissemination of information on any part of the Common Area or personal property shared in the Common Area, such as newspaper holders, windshields of automobiles parked on the property, or any part of Residential Units such as screen doors, front doors, etc., shall not be permitted. Any individual desiring to disseminate information to the Occupants of Hacienda Carmel can utilize the facilities provided by the United States Post Office.

Outside solicitors should be reported immediately and they will be removed from the property. Violation of the within Ground Rule by any Member or Authorized Occupant of the Association shall be subject to a fine, not less than \$250.00. Any Member or Authorized Occupant accused of violating the within Ground Rule shall be entitled to a hearing before a committee to be appointed by the Board of Directors, and such hearing shall be conducted as provided in Section 1363 of California Civil Code.

31. **TAXES:** Property taxes are the responsibility of individual Owners. By law, sales tax will be collected on all meals served in the Dining Room to all non-Members and to Members under 62 years of age. Sales tax will be charged on all carbonated and alcoholic beverages served to all patrons and on all take-out meals. County Bed Tax will be added to room rates in Casa Amigos.

32. **TRASH DISPOSAL:** Individual underground garbage containers are available in front of residences. Garbage is picked up every Thursday. If your garbage can becomes full before that time, call the Front Desk for an additional pickup.

Yard waste and items that can be bagged or boxed may be placed inside the patio gate for pick up by the Grounds staff. Call the Front Desk Monday through Friday only for a Patio Pickup. Construction and remodeling waste is the responsibility of the individual Unit Owner and must be removed from the property at their expense.

Recycling bins are located inside the front wall of all carports. Residents are urged to recycle. Paper (with the exception of waxed paper), cardboard, glass, aluminum and metal containers, and plastic can be placed in the bins without sorting. Cans and jars containing food should be rinsed before recycling. Recycle bins are picked up on Saturday. Batteries may be recycled at the Front Desk. Fluorescent bulbs and paint may be recycled in the maintenance area, behind the Casa Central.

Cooking grease should be placed into a secure lidded container and placed in the regular trash.

Large items such as TVs, appliances, mattresses, etc. may be picked up by staff for removal to the dump at the expense of the Resident. A fee schedule for these items is as follows:

Mattresses	\$20
Televisions	\$15
Microwaves	\$15
Other small appliances	\$15
Computers	\$20
Refrigerators	\$25
Washers/Dryers	\$25 each
Sofas	\$20 (other furniture varies)

Appropriate charges will be applied to the Resident's monthly statement.

33. **VISITORS AND GUESTS** should be informed about the 15 MPH speed limit within Hacienda Carmel and about parking rules. Guests staying within member's Units for any length of time must conform with occupancy regulations as stated.
34. **PERSONAL OBJECTS IN OUTSIDE WALKWAYS:** Window boxes are permitted by the Association, but must not protrude from the window for more than 10" into the aisle. Any personal items, such as decorative objects, benches, planters, etc. must not protrude more than 12" from the side of the building. The walkways must always remain accessible to wheelchairs, walkers, and pedestrians.

35. ***INTERACTION WITH HCCA EMPLOYEES***

Tiping: The Dining Room and the Beauty Salon are the only two areas at Hacienda Carmel where tipping is expected or permitted. In lieu of tipping, Residents are invited to participate in the Hacienda Carmel Employee Christmas Fund which gets underway in the month of November. Funds collected are distributed in a fair manner, taking into consideration employment status (full or part time) and length of service.

Payment for odd jobs done by employees after hours, on their own time, is not tipping and is appropriate.

Requests for Assistance: Please call the Front Desk to request help or assistance. The appropriate department will be notified and will respond as soon as they can. Residents requiring assistance should not approach a grounds, maintenance, or housekeeping employee directly. These employees are working under the direct authority of their respective supervisors and asking them to postpone a task to which they are currently assigned to assist with another is putting them at a direct disadvantage.

Emergency assistance will be responded to immediately. Dial “0” for the Front Desk or “9 911” for a first responder or ambulance.

Remuneration to Employees: It is against the policy of this Association for any employee to solicit or accept any remuneration for information regarding potential real estate sales or rentals, or personal information regarding any Hacienda Carmel Owner or Resident, or the families of such. It is also against the policy of this Association for an employee to take advantage of any member, Resident, or the families thereof, for any monetary or personal gain on the part of the employee. Residents should immediately report any such solicitations by employees to the General Manager. This does not apply to payment for legitimate work, done on the employee’s own time, for the Members or Residents of Hacienda Carmel.

Restrictions on Interaction with HCCA Employees: Hacienda Carmel Community Association is committed to providing a hostile-free work environment for its employees, as required by both state and federal law. If a Resident or employee has any complaint to voice or a concern to express, they should speak directly with the Hacienda Carmel Community Association General Manager. No complaints by Residents should be voiced to staff employees.

(a) Hacienda Carmel Community Association has adopted an Anti-Harassment Policy prohibiting sexual harassment and harassment based on race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other basis protected by federal, state or local law or ordinance. Hacienda Carmel Community Association's Anti-Harassment policy prevents harassment, whether by co-employees, supervisors or Residents. Hacienda Carmel Community Association's Anti-Harassment Policy is set forth in its Employee Manual. A copy of Hacienda Carmel Community Association's Anti-Harassment Policy is attached to these Ground Rules as Attachment I.

(b) As to the Anti-Harassment Policy that is not legally protected by subsection (a):

INTERACTION WITH HCCA EMPLOYEES, continued

(1) As articulated in the introduction to this section, if a Resident or employee has any complaint to voice or a concern to express, they should speak directly with the Hacienda Carmel Community Association General Manager. No complaint should be voiced to staff employees by any Resident. Due to the fact that there have been substantial violations of this Policy, the Board of Directors of Hacienda Carmel Community Association has deemed it necessary to create a procedure for dealing with complaints which do not fall within the category covered by subsection (a) above. If a Resident registers a complaint directly to an employee, or if a Resident conducts himself or herself in such a way that the conduct results in an invasion of a normal expectation of privacy by any employee, said employee shall deliver a written complaint to the General Manager. Examples of such normal expectation of privacy shall include, but are not necessarily restricted to, telephone calls to the employee's residence at any time before or after working hours, stalking or following an employee, transmitting or delivery by the United States mail or in any fashion material pertaining to an individual employee's salary, hourly rate or other compensation. Further, if a Resident conducts himself or herself in such a way that the conduct results in harassment of an employee, said employee shall deliver a written complaint to the General Manager. Examples of harassment shall include, but are not limited to, transmission of information of a personal or private nature concerning an employee to other individuals, registering a complaint to the employee as referenced above, stalking or following an employee, or transmitting comments or information concerning an employee's private life to other individuals, organizations or entities, whether Members of or in any way connected with the Association or not.

(2) The Board of Directors shall appoint three of its Members to act as a hearing body, which shall conduct a hearing at which the complaining employee shall be present and the Resident accused of violation of this Ground Rule as referenced above shall also be invited to attend. After hearing both sides of the issue, the hearing committee shall formally recommend to the Board of Directors the imposition of a fine, if justified by the facts adduced at the hearing, which will not be less than \$250.00. The Resident found guilty of violating the Ground Rule shall be given thirty (30) days in which to pay the fine.

ATTACHMENT I TO THE HACIENDA CARMEL GROUND RULES

ANTI-HARASSMENT POLICY

HACIENDA CARMEL COMMUNITY ASSOCIATION (“Hacienda Carmel”) is committed to providing a work environment free of unlawful harassment. Hacienda Carmel’s policy prohibits harassment because of race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other basis protected by federal, state or local law or ordinance or regulation. **All such harassment is unlawful.** Hacienda Carmel’s anti-harassment policy applies to all persons including all employees, Members and Residents of Hacienda Carmel and prohibits unlawful harassment of any employee of Hacienda Carmel, by co-workers or by Residents of Hacienda Carmel.

Prohibited unlawful harassment because of sex, race, ancestry, physical or mental disability, mental condition, marital status, age or any other protected basis includes, but is not limited to, the following behavior:

- a. Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- b. Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- c. Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis;
- d. Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors;
and
- e. Retaliation for having reported or threatened to report harassment.

If any employee believes he or she has been unlawfully harassed, that employee should report the incident immediately to any one of the following individuals:

- (1) the employee’s supervisor;
- (2) Hacienda Carmel General Manager; or
- (3) Hacienda Carmel Board President.

The Association will immediately undertake a thorough and objective investigation of the harassment allegations. If the Association determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by the Association to be responsible for unlawful harassment will be subject

ATTACHMENT I continued

to appropriate disciplinary action, up to and including termination. Hacienda Carmel will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by management, employees or co-workers.

Hacienda Carmel encourages all employees to report any incidents of harassment forbidden by this policy immediately so that complaints can be quickly and fairly resolved.

(b) As to the Anti-Harassment Policy that is not legally protected by subsection (a):

As articulated in the introduction to this section, if a Resident has any complaint to voice or a concern to express, Residents should speak directly with the Hacienda Carmel Community Association General Manager. No complaint should be voiced to staff employees. Due to the fact that there have been substantial violations of this Policy, the Board of Directors of Hacienda Carmel Community Association has deemed it necessary to create a procedure for dealing with complaints which do not fall within the category covered by subsection (a) above. If a Resident registers a complaint directly to an employee or if a Resident conducts himself or herself in such a way that the conduct results in an invasion of a normal expectation of privacy by an employee, said employee shall deliver a written complaint to the General Manager. The Board of Directors has appointed three of its Members to act as a hearing body, which shall conduct a hearing at which the complaining employee shall be present and the Resident accused of violation of this Ground Rule shall also be invited to attend. After hearing both sides of the issue, the hearing committee shall formally recommend to the Board of Directors the imposition of a fine if justified by the facts adduced at the hearing, which will be not less than \$250.00. The Resident found guilty of violating the Ground Rule shall be given thirty (30) days in which to pay the fine, and failure to do so will result in a special charge secured by a lien. All costs relating to the filing of a lien as provided in this Ground Rule shall be borne by the offending party, which will include the costs of recording the lien and attorneys' fees not to exceed \$50.00.