

~~SECOND RESTATED DECLARATION COVENANTS, CONDITIONS & RESTRICTIONS~~
~~FOR~~ THIRD AMENDED AND RESTATED DECLARATION
~~GREEN SPRINGS RANCH~~
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GREEN SPRINGS RANCH

~~This document is intended to restate and supersede in their entirety all previously recorded~~
~~documents relating to~~
~~the Covenants, Conditions & Restrictions~~
~~for the Green Springs Ranch Subdivision~~

**SECOND RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
GREEN SPRINGS RANCH**

~~Those certain Declarations~~ The Second Restated Declaration of Covenants, Conditions and Restrictions for Green Springs Ranch, Recorded in the Official Records of El Dorado County on ~~the dates and at the Book and Page numbers set forth in Exhibit A,~~ restated in the First Restatement of Covenants, Conditions & Restrictions, recorded October 10, 1995, as Document No. 046001, and amended by the First Amendment to the First Restatement of Covenants, Conditions & Restrictions, recorded March 19, 2004 as Document No. 0020647-00 (collectively, August 5, 2004, as Document No. 2004-0062690 (the "**ORIGINAL DECLARATIONS** DECLARATION"), ~~are~~ is hereby amended, ~~consolidated~~ and restated in ~~their~~ its entirety to read as follows:

RECITALS

~~A.~~ A. Edwin Greenhalgh and Ethel A. Greenhalgh (collectively, "**DECLARANT**") were the original owners of that certain real property (~~"Properties"~~) located in the County of El Dorado, State of California, which is more particularly described in Exhibit B "A", attached hereto (the "PROPERTY").

~~B.~~ Declarant conveyed the Properties, subject to certain easements and protective covenants, conditions, restrictions, reservations, as set forth in the documents referred to above and contained within Exhibit A, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of Properties and all of which shall run with the Properties and be binding on all parties having or acquiring any rights, title or interest in the Properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof. Thereafter, the Association elected, pursuant to the provisions of the initial declaration to restate and amend the documents for the same purposes and effect through the other documents constituting the Original Declarations.

~~C.~~ It was the further intention of the Declarant to sell and convey residential Lots to the Owners, subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights of way, liens, charges and equitable servitudes between Declarant and such Owners which were set forth in the Original Declarations

B. The Declarant conveyed the Property subject to certain easements and protective covenants, conditions, restrictions, reservations, as set forth in the Original Declaration and which have now been amended and restated in this Declaration. ~~those equitable servitudes are intended to be in furtherance of a general plan for the subdivision, development, sale and use of the Properties as a "planned development" as that term is defined in section 135 1(k) of the California Civil Code,~~ to establish a planned development under the Davis-Stirling Common Interest Development Act¹ (the "ACT" or "DAVIS-STIRLING ACT"), consisting of Common Areas coupled with Owners of separate interests in Lots who possess appurtenant rights to the beneficial use and enjoyment of the Common Areas.²

¹ See Civil Code § 4000 et seq.

² See Civil Code § 4175(a).

~~D. Finally, it was the intention of the Declarant to form an association, whose members would be comprised of all owners of Lots within the Properties for purposes of maintaining the private roads within the Properties, enforcing the property use restrictions contained here and otherwise promoting the health, safety and welfare of the residents of Green Springs Ranch. That association of owners is called the Green Springs Ranch Landowners Association and is referred to herein as the "Association".~~C. The Declarant established the Green Springs Ranch Landowners Association, Inc., a California nonprofit mutual benefit corporation (the "ASSOCIATION"), intending the Association to: (i) maintain the Common Areas and Common Facilities; (ii) administer the architectural review and approval processes;³ (iii) enforce the Governing Documents;⁴ and (iv) levy Assessments against its Members and their Lots.⁵ Each Lot within the Property shall have appurtenant to it a membership in the Association.

D. The Declarant under the Original Declaration declared the Property held, sold and conveyed subject to these easements, restrictions, associations, reservations, covenants and conditions, which serve purposes to enhance and protect the value, desirability and attractiveness of the Development. In continuity with the Original Declaration, this Declaration: (i) creates a general plan and scheme for subdividing the Development for sale and use of the real property comprising Green Springs Ranch as a planned development; (ii) benefits and protects its Owners through protecting and enhancing the desirability, value and attractiveness of all Lots, Common Areas and other property located therein; (iii) runs with the real property comprising Green Springs Ranch and binds all parties having or acquiring any right, title or interest in Green Springs Ranch or portion thereof; and (iv) inures to the benefit of each Owner's successors and assigns. The Development is subject to this Declaration upon its Recordation in the Official Records of El Dorado County, California.

~~E. On November 16, 2003,~~E. On _____, 2024 the Owners ~~holding more than 51% of the voting power~~representing at least fifty-one percent (51%) of the Voting Power of the Association voted ~~by written~~in secret ballot to amend, ~~consolidate~~ and restate the Original ~~Declarations, all in accordance with the procedures for amendment set forth in the Original Declarations. It was the intention of the~~Declaration.⁶ The Owners intended to entirely replace the Original Declarations, in their entirety, with the Recordation of Declaration with this Declaration, without, however, affecting or changing the priority of the Declaration in the chain of title to the Lots. The Owners' action to amend ~~and restate the Original Declarations as set forth herein and the fact that the requisite percentage of affirmative votes required in the Original Declarations was GSR 1 achieved, and satisfaction of the approval threshold in the Original Declaration,~~ is attested by the Association's officer's execution of this ~~Second Restated Declaration by duly authorized officers of the Association, as required by section 1355(a) of the California Civil Code. As so amended and restated, the easements, covenants, restrictions, and conditions set forth herein shall run with the Properties and shall be binding upon all parties having or acquiring any right, title or interest in the Properties or any portion thereof, and shall inure to the benefit of each Owner thereof.~~Declaration.⁷

³ See Declaration Article V.

⁴ See Declaration Article XIII.

⁵ See Declaration Article IV.

⁶ See Civil Code § 5100(a)(1); Original Declaration Article XIV, Section 1.

⁷ See Civil Code § 4270(a)(2).

ARTICLE I
Definitions

ARTICLE I
DEFINITIONS

Section 1.01. "ADU" means an Accessory Dwelling Unit or Junior Accessory Dwelling Unit meeting statutory requirements⁸ and other applicable local ordinances.

Section 1.02. "ANNUAL BUDGET REPORT" means and refers to the compilation of documents that the Association must provide to its Members annually (not less than thirty (30) nor more than ninety (90) days before the end of the fiscal year).⁹

Section 1.03. "ANNUAL POLICY STATEMENT" means and refers to the information, statements and notices that the Association must provide to its Members annually (not less than thirty (30) nor more than ninety (90) days before the end of the fiscal year).¹⁰

Section 1.04. "ARCHITECTURAL COMMITTEE" means and refers to the Committee formed under Section 5.02, below, to administer and enforce the architectural review and approval of Improvement projects under Articles V and VI of this Declaration.

Section 1.05. "ARCHITECTURAL RULES" means and refers to any rules adopted by the Board of Directors pursuant to Section 5.05, below.

Section 1.06. ~~Section 1.~~ "ARTICLES" means the Articles of Incorporation ~~of~~for the Association, which are filed in the Office of the California Secretary of State, as such Articles may be ~~emended~~amended from time to time.

Section 1.07. ~~Section 2.~~ "ASSESSMENT" means any Regular, ~~Partial~~, Special, ~~Emergency~~ or Special Individual Assessment made or assessed by the Association against ~~any~~an Owner and ~~his or her Lot in accordance with the provisions of the Owner's Lot under Article IV of this Declaration, below.~~

Section 1.08. ~~Section 3.~~ "ASSOCIATION" means and refers to Green Springs Ranch Landowners Association, ~~Inc.,~~ a California nonprofit ~~mutual benefit~~ corporation ~~—(formed pursuant to the Nonprofit Mutual Benefit Corporation Law of the State of California),~~ its successors and assigns. ~~the Association is an "association as defined in section 1353(a) of the California Civil Code.~~¹¹

⁸ See Civil Code § 4751; Government Code §§ 65852.2 (defining "accessory dwelling unit") and 65852.22 (defining "junior accessory dwelling unit").

⁹ See Civil Code § 5300.

¹⁰ See Civil Code § 5310.

¹¹ See Civil Code § 4080.

Section 1.09. ~~Section 4.~~ "ASSOCIATION RULES" means the rules, ~~and regulations~~ and policies adopted by the Association's Board of Directors ~~pursuant to Article III, section 7 of this Declaration, as~~, including the Architectural Rules, as the same may be in effect from time to time.

Section 1.10. ~~Section 5.~~ "BOARD OF DIRECTORS" or "BOARD" means the Association's Board of Directors ~~of the Association.~~¹²

Section 1.11. ~~Section 6.~~ "BYLAWS" means the Bylaws of the Association's Bylaws, as ~~such Bylaws~~ may be amended from time to time.

Section 1.12. "COMMON AREA"¹³ means all real property the Association owns, controls, manages and/or maintains for common use and enjoyment of its Members, excepting the residential Lots.¹⁴ Without limiting the generality of the foregoing, Common Area includes, without limitation, the private roads within the Development. Unless the context indicates a contrary intent, any reference herein to the "Common Area" shall also include any Common Facilities constructed, installed, or located thereon.

Section 1.13. ~~Section 7.~~ "COMMON EXPENSE" means any use of Association funds authorized by Article IV ~~hereof, below,~~ and Article IX of the Bylaws and includes, without limitation: (a) All expenses or charges ~~incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Facilities within the property;~~ the Association incurs or Board estimates will incur for managing, maintaining, administrating, insuring, operating, repairing, adding, altering or reconstructing of those elements of the Development the Association is obligated to maintain, repair and replace; (b) all expenses or charges reasonably incurred to procure insurance for the protection of the Association and its Board ~~of Directors;~~ (c) any amounts reasonably ~~necessary for reserves for maintenance, repair and replacement of the Common Facilities,~~ required to be set aside as Reserves for maintaining, repairing, and eventually replacing the Major Components and for nonpayment of any Assessments; and (d) the use of such funds to defray ~~the~~ costs and expenses ~~incurred by~~ the Association ~~in the performance of~~ incurs in performing its functions or in ~~the proper discharge of the~~ properly discharging the Association's and Board's responsibilities ~~of the Board of Directors as provided in~~ under the Act and/or the Governing Documents.

Section 1.14. ~~Section 8.~~ "COMMON FACILITIES" means the system of private roads within the ~~Properties~~ Development and any set-back areas, culverts, drainage systems, berms or other facilities constructed or installed or to be constructed or installed, in connection with ~~said~~ such private roadways.

Section 1.15. ~~Section 9.~~ "COUNTY" means ~~the County of~~ El Dorado County, State of California, and its various departments, divisions, employees and representatives.

¹² See Civil Code § 4085.

¹³ Unless the context clearly indicates a contrary intent, any reference in this Declaration to "Common Area" also includes any "Common Facilities" located thereon.

¹⁴ See Civil Code § 4095(a).

~~Section 10.~~ ~~"Declarant" means the original developers of the Properties, namely Edwin w. Greenhalgh and Ethel A. Greenhalgh.~~

Section 1.16. ~~Section 11.~~ ~~"DECLARATION" means this instrument, as it may be amended from time to time. The Original Declaration means and refers to the documents referenced in Exhibit A attached to this Declaration together with the First Restatement and First Amendment referenced above, and all amendments, supplemental declarations and annexations thereto adopted prior to adoption of this Declaration.~~

Section 1.17. "DEVELOPMENT" means and refers to all real property and improvements thereon comprising the common interest development commonly known as Green Springs Ranch.

Section 1.18. "EMERGENCY ASSESSMENT" means an Assessment that the Association is authorized and empowered to impose under the limited circumstances defined in the Act.¹⁵

Section 1.19. "GENERAL NOTICE" and "GENERAL DELIVERY" means and refers to an Association notice provided to the Members by any of the following methods¹⁶:

- (a) Any method of delivery that constitutes "Individual Notice" or "Individual Delivery";
- (b) Inclusion of the notice in a billing statement, newsletter, or similar Association document;
- (c) Posting the printed document in a prominent location accessible to all Members, if the location has been designated for posting General Notices by the Association in its Annual Policy Statement;
- (d) If the Association has a broadcast television program site to distribute information on Association business, by inclusion in the programming; and
- (e) Posting the notice on the Association's internet website, if the website is designated as a location for posting of General Notices in the Annual Policy Statement.

Section 1.20. "GOOD STANDING" means and refers to a Member: (i) in compliance with the Governing Documents; (ii) current in the payment of all Regular and Special Assessments levied against the Member's Lot; and (iii) current in any fines, penalties, and other charges imposed upon the Member.

Section 1.21. ~~Section 12.~~ ~~"GOVERNING DOCUMENTS" is a collective term that means and refers to this Declaration and, the Association's Articles, the Bylaws, and the Association rules~~Rules.

¹⁵ See Civil Code § 5610.

¹⁶ See Civil Code § 4045(a).

Section 1.22. "IMPROVEMENT" is a term used in this Declaration to identify those construction, remodeling, and renovation projects that Owners may wish to pursue on their Lot or Residence that need the Architectural Committee's prior review and approval under Article V, below. In that context, the term "Improvement" includes, without limitation the construction, installation, alteration or remodeling of any Residence, structures, garages, outbuildings, walls, fences, swimming pools, landscaping, landscape structures, patios and patio awnings, solar energy equipment, spas, antennas, television satellite reception equipment, utility lines or any other structure of any kind.

Section 1.23. "INDIVIDUAL NOTICE" or "INDIVIDUAL DELIVERY" means and refers to an Association notice provided to the Members by any of the following methods¹⁷:

(a) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier (addressed to the Member at their address appearing on the Association's records);

(b) E-mail, facsimile, or other electronic means, if the recipient has consented in writing or by email, to that method of delivery. The recipient may revoke the consent in writing or by email.

If a Member has identified a secondary address for delivery of documents included in the Annual Budget Report, the Annual Policy Statement, or notices pertaining to Assessment or Assessment collections, the Association must deliver an additional copy of those notices to the secondary address that the Member identified.¹⁸

Section 1.24. "INSPECTOR(S) OF ELECTION" means and refers to one or three independent third party(ies)¹⁹ selected by the Board of Directors to perform specified duties²⁰ in secret ballot elections regarding Assessments legally requiring a vote, election and removal of directors, amendments to the Governing Documents, or the grant of exclusive use common area.²¹

Section 1.25. ~~Section 13.~~ "Lot" means any parcel of real property designated by a number on any Subdivision Map recorded within the ~~Properties~~Property, excluding the Common Area.

Section 1.26. "MAJOR COMPONENT" means and refers to any major component of the Development for which the Association has the maintenance, repair, and replacement responsibility under the Declaration.²² Any Major Component with a useful life of thirty (30) years or less must be included in the Association's Reserve Study.

Section 1.27. "MAJORITY OF A QUORUM" means the vote of a majority of the votes cast at a meeting or by secret or written ballot when the number of Members attending the membership

¹⁷ See Civil Code § 4040(a).

¹⁸ See Civil Code § 4040(b).

¹⁹ See Civil Code § 5110(b) providing examples of permissible and prohibited independent third parties.

²⁰ See Civil Code § 5110(c).

²¹ See Civil Code § 5100(a).

²² E.g. Parcel "B", the non-County Roads within the post office box area, and 5 mph buoys.

meeting or the number of ballots cast during the prescribed balloting period equals or exceeds the quorum requirement.²³

Section 1.28. ~~Section 14.~~ — "**MEMBER**" means every person or entity who holds a membership interest in the Association ~~and whose rights as a Member are not suspended.~~

Section 1.29. ~~Section 15.~~ — "**OWNER**" means any person, firm, corporation or other entity ~~which owns~~ that is the Record owner of a fee simple interest in any Lot.

~~Section 16.~~ — "Owner of Record" ~~includes any Owner and means any person, firm, corporation or other entity in which title to a Lot is vested as shown by the Official Records of the Office of the County Recorder.~~

Section 1.30. ~~Section 17.~~ — "**PARTIAL ASSESSMENT**" means a prorated or reduced Assessment levied against an Owner and ~~his or her Lot in accordance with Article IV, section 3, hereof~~ their Lot under Section 4.02, below.

Section 1.31. ~~Section 18.~~ — "~~Properties~~" "**PROPERTY**" means all parcels of real property described in Exhibit B "A", attached hereto.

Section 1.32. ~~Section 19.~~ — "**RECORD**" means, with respect to any document, the recordation or filing of such document in the Office of the ~~El Dorado~~ County Recorder.

Section 1.33. ~~Section 20.~~ — "**REGULAR ASSESSMENT**" means an Assessment levied against an Owner and ~~his or her Lot in accordance with Article IV, section 2, hereof~~ their Lot under Section 4.02, below.

Section 1.34. "**RESERVES**" and "**RESERVE ACCOUNTS**" means and refers to both of the following²⁴: (i) moneys that the Board has identified for use to defray the future repair or replacement of, or additions to, those Major Components the Association is obligated to maintain; (ii) funds described in Civil Code § 4177(b).

Section 1.35. ~~Section 21.~~ — "**RESIDENCE**" means a private, single-family dwelling constructed on ~~a~~ any Lot. A Residence also includes any ADU or JADU if constructed on any Lot.

Section 1.36. ~~Section 22.~~ — "**SINGLE FAMILY RESIDENTIAL USE**" means occupancy and use of a Residence for single family dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning or other applicable laws or governmental regulations limiting the number of persons who may occupy single family residential dwellings.

Section 1.37. "**SPECIAL ASSESSMENT**" means a Special Assessment levied against an Owner and their Lot.²⁵

²³ See Bylaws Section 5.05.

²⁴ See Civil Code § 4177.

²⁵ See Civil Code §§ 5600(a) and 5605(b).

~~Section 1.38. Section 23.~~ "SPECIAL INDIVIDUAL ASSESSMENT" means an Assessment levied against an Owner and ~~his or her Lot in accordance with Article IV, section 3, hereof~~their Lot under Section 4.04, below.

~~Section 24.~~ "Special individual Assessment means an Assessment levied against an Owner and his or her Lot in accordance with Article IV, section 4, hereof.

~~Section 1.39. Section 25.~~ "Subdivision Map" means the map for any portion of the Properties.

~~ARTICLE II Property Rights and Obligations of Owners~~ "SUBDIVISION MAP" means the final subdivision map for any portion of the Property.

~~Section 1.~~ Owners' Nonexclusive Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the private roads within the Properties, including ingress and egress to and from his or her Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) ~~The right of the Association to adopt Association Rules as provided in Article III, section 7 hereof, regulating the use and enjoyment of the private roads for the benefit and well-being of the Owners in common; and~~

(b) ~~The right of the Association to dedicate or transfer all or any part of the roads within the Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Owners, provided, however, that no such dedication or transfer shall be effective unless an instrument, approved by at least two-thirds of the voting power of the Members, and their first Mortgagees consenting to such dedication or transfer has been Recorded. Furthermore, no dedication shall be permitted that impairs the ingress and egress to any Lot. The instrument approving the dedication may be executed in counterparts so long as each counterpart is in recordable form.~~

ARTICLE II PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

~~Section 2.01. Section 2.~~ Persons Subject to Declaration Regarding the Property. The Declarant subjected the Development to this Declaration for the purposes identified in Recital "D", above. ~~The Governing Documents. All bind: (i) the Association; and (ii) all present and future Owners, tenants and occupants of Lots within the Properties shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e. Owners, tenants, invitees, etc.)~~Property. The acceptance of a deed to any Lot, the entering into a lease, sublease or contract of sale with respect to any Lot, or the occupancy of any Lot shall constitute the

consent and agreement of such Owner, tenant or occupant that each and all of the ~~provision~~
~~sprovisions~~ of this Declaration, as the same or any of them may be amended from time to time,
shall be binding upon ~~him or her~~them and that ~~he or she~~they will observe and comply with the
Governing Documents.

~~Section 3.~~

Section 2.02. Owners' Nonexclusive Easements of Enjoyment. Each Owner shall have
a nonexclusive right and easement of enjoyment in and to the Development's Common Areas,
including ingress and egress to and from the Owner's Lot. This nonexclusive easement shall be
appurtenant to and shall pass with the title to every Lot, subject to these provisions:

(a) Association's Right to Adopt Rules. The Association's Right to adopt Association
Rules and, if a breach of the Association Rules occurs or of any other Governing Document
provision, to initiate disciplinary action against the violating Owner or tenant.²⁶

(b) Association's Limited Right to Enter Lots. The Association's limited right to enter
Lots for permitted purposes.²⁷

(c) Association's Right to Dedicate Property. The Association's right to dedicate or
transfer to any public agency, authority or utility, all or part of any Common Area for purposes
and subject to such conditions as the Owners may agree. No dedication or transfer is effective
unless at least two-thirds of the Voting Power of the Members and their first Mortgagees Records
an instrument consenting to the dedication or transfer. A dedication that impairs the ingress and
egress to any Lot is prohibited.

Section 2.03. Delegation of Use.²⁸

(a) Delegation of Use, Leasing, and Rental of Residences. Any Owner may delegate
their rights to use and enjoy the Common Area and Common Facilities to their family members
or tenants, lessees or contract purchasers who reside in the Owner's Residence; provided,
however, that any rental or lease may only be to a single family for Single Family Residential
Use (other than for rentals of ADUs or JADU's located upon the same Lot) and subject to this
Section 2.03 and the Association Rules.

(b) ~~(A) Leasing of Residences. Any rental or lease of a Residence shall be subject
to the provisions of Residential Lease Agreement Requirements. These specific limitations apply
to all Residence, ADU or JADU leases or tenancies: (i) the lease or rental cannot apply to less
than an entire Residence, ADU or JADU (as applicable), including appurtenant rights other than
nontransferable Member voting rights; (ii) any lease or rental must be evidenced in writing, and
with provisions subjecting the lease or rental to the Governing Documents all of, which shall be
deemed are incorporated into the lease or rental agreement by reference in; and (iii) the lease
or rental agreement. It shall be the obligation of each Owner lessor to advise any tenant or~~

²⁶ See Declaration Section 12.06.

²⁷ See Declaration Section 3.05(c).

²⁸ Declaration Sections 2.04(a)-(d) and the Association Rules shall be interpreted and enforced in a manner that conforms to the requirements of Civil Code § 4741, as amended from time to time.

~~lessee of the~~ provides that the tenant's failure to comply with the Governing Documents relating to lease and use restrictions ~~imposed on the use and enjoyment of Lots within Green Springs Ranch subdivision imposed by this Declaration and the Association rules,~~ and use and enjoyment of Common Areas and Common Facilities, constitutes a default under the lease or rental agreement entitling the Owner to terminate the tenancy upon prior written notice.²⁹ Each Owner-lessor shall provide any tenant or lessee with a current copy of all Governing Documents and shall be responsible for compliance by the Owner's tenant or lessee with ~~all of the provisions of~~ the Governing Documents during the tenant's/lessee's occupancy ~~and use of~~ in the Residence.

(c) ~~(B)~~ Discipline of Lessees. Subject to subparagraph (ed) below, ~~in the event that~~ if any tenant or lessee fails to honor ~~the provisions of~~ any Governing Document provision, the Association shall be entitled to ~~may~~ take such corrective action against the Owner-lessor ~~and/or the tenant/lessee~~ as it deems necessary or appropriate under the circumstances.

(d) ~~(C)~~ Due Process Requirements for Disciplinary Action. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Properties Development or to preserve the rights of quiet enjoyment of other Owners, the Association shall have no right to initiate disciplinary action against an Owner-lessor (or the Owner's lessee or tenant) ~~on account because~~ of the misconduct of the Owner's lessee or tenant unless ~~and until the following these~~ conditions have been satisfied: (i) the Owner has received written notice from the Board ~~of Directors~~, the Association's property manager or an authorized committee of the Board ~~of Directors~~ detailing the ~~nature of the~~ lessee's/tenant's alleged infraction or misconduct and advising the Owner of ~~his or her~~ their right to a hearing³⁰ on the matter ~~in the event the Owner believes that remedial or disciplinary action is unwarranted or unnecessary;~~ (ii) ~~the Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, if one is requested by the Owner;~~ and (iii) ~~the Owner has failed to prevent or correct the tenant's objectionable actions or misconduct. Any hearing requested hereunder shall be conducted in accordance with Article XI, section 6, hereof.~~ if the Owner believes that remedial or disciplinary action is unwarranted or unnecessary; (ii) the Owner has been given a reasonable opportunity to take corrective action voluntarily or to appear at a hearing, if one is requested by the Owner; and (iii) the Owner has failed to prevent or correct the tenant's objectionable actions or misconduct.

~~Section 4. Complaints About Non-Compliance with Property Use Restrictions.~~

~~(A) Who May Make a Complaint. Any Member of the Association may file a complaint with the Board of Directors regarding another Owners non-compliance with one or more of the property use restrictions as stated in this Declaration.~~

~~(B) Complaint Process. In order for the Board of Directors to take formal action on a complaint, the following procedures must be followed:~~

²⁹ See Civil Code § 1946.1 (requiring 30 days' prior written notice for tenancies less than one year, or 60 days' prior written notice for tenancies one year or greater).

³⁰ See Declaration Section 12.06(d).

~~(i) All complaints shall be in writing and shall: (1) identify the alleged property use violation or violations, (2) contain sufficient information to indicate that an Owner, Owner's lessee or tenant, or Owner's invitee is creating, or has created, the non-compliance condition, (3) identify the Lot or Lots where the alleged violation has occurred or is occurring, by street address or Lot number, and (4) be signed by the Member(s) alleging the non-compliance.~~

~~(ii) Written complaints will be hand delivered or mailed first class to a member of the Board of Directors. The Board of Directors member receiving the complaint will make a record of the date of receipt, keep a copy for the Board of Directors and, as soon as possible, but no later than seven days, forward the complaint to the CC&R Enforcement Committee. The CC&R Enforcement Committee will investigate and evaluate the validity of the complaint.~~

~~(iii) If the CC&R Enforcement Committee determines that the complaint is valid the CC&R Enforcement Committee will, except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Properties or to preserve the rights of quiet enjoyment of other Owners, notify in writing by registered mail the Owner or Owners of the Lot where the alleged violation or violations occurred, or are occurring. Each notification will contain the alleged violations and supporting information, a request for compliance, a date in which to comply, the action to be taken if compliance is not achieved by the established abatement date, and the Owner or Owners recourse and rights under these Governing Documents. The CC&R Enforcement Committee will also notify the Board of Directors of the results of their evaluation and the action they are taking. The Board of Directors will then respond back to the complainant explaining the action taken.~~

~~(C) Owners Failure to Correct. If the Owner or Owners of a Lot have been notified by the CC&R Enforcement Committee of non-compliance with property use restrictions and fail to correct the conditions as stated in the notification by the established correction date, or correct the condition and then repeat the violation at a later time, the CC&R Enforcement Committee may issue a second notice. This second notice shall comply with the requirements for a first notice as stated in this Article, section 4, subpart (b)(iii). In the event that, after the second notification, any Owner or Owners fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action against the Owner or Owners as it deems necessary or appropriate under the circumstances, subject to the provisions of Article III, section 6.~~

~~(D) Non-substantiated Complaints. If the CC&R Enforcement Committee determines that the complaint is not valid, the Committee will respond back to the Board of Directors in writing explaining the basis for the Committee's determination. The Board of Directors will then respond in writing to the complainant explaining why no action will be taken.~~

~~(E) Due Process. The Owner of any Lot accused of violating any of Governing Document will be allowed a hearing before the Board of Directors as per Article XI. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Properties or to preserve the rights of quiet enjoyment of other Owners, the~~

~~Association shall have no right to initiate disciplinary action against an Owner lessor (or the Owner's lessee or tenant) on account of the misconduct of the Owner's lessee or tenant unless and until the following conditions have been satisfied: (i) the Owner has received written notice from the Board of Directors, the Association's property manager or an authorized committee of the Board of Directors detailing the nature of the lessee's/tenant's alleged infraction or misconduct and advising the Owner of his or her right to a hearing on the matter in the event the Owner believes that remedial or disciplinary action is unwarranted or unnecessary; (ii) the Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, if one is requested by the Owner; and (iii) the Owner has failed to prevent or correct the tenant's objectionable actions or misconduct. Any hearing requested hereunder shall be conducted in accordance with Article XI, section 6, hereof.~~

Section 2.04. ~~Section 5. Obligation~~Obligations of Owners. Owners of Lots ~~within the Properties~~ shall be subject to ~~the following~~these duties and obligations:

(a) Contract Purchasers. A contract seller of a Lot must delegate their voting rights as a Member of the Association and their right to use and enjoy the Common Area and Common Facilities to any contract purchaser in possession of the Lot. Notwithstanding the foregoing, the contract seller shall remain liable for any default in the payment of Assessments by the contract purchaser until title to the property sold has been transferred to the purchaser.

(b) ~~(A)~~Notification to Prospective Purchasers Regarding Governing Documents.³¹

~~(i) As more particularly provided in section 1368 of the California Civil Code, as~~ soon as practicable before transfer of title or the execution of a real property sales contract ~~with respect to~~regarding any Lot, the Owner thereof must give the prospective purchaser the documents and information enumerated in subparagraphs (A) through (G), below:

(A) A copy of the ~~governing~~Association's Governing Documents, including any Association Rules;

(B) ~~(B)~~—The Association's most recent financial statement; a copy of the Annual Budget Report³², a year-end review of the Association's financial statement³³; and Annual Policy Statement³⁴, each in summary or full reports unless a Member has requested a copy of the full report in all instances. The Association must deliver these documents to the Members by Individual Delivery and if a summary report is provided it must generally describe the content of the report and instructions (in at least 10-point boldface type on the first page of the summary) on how to request a complete copy of the report at no cost to the Member³⁵;

(C) A true statement ("DELINQUENCY STATEMENT") in writing from an authorized representative of the Association as to: (1) the amount of ~~any delinquent Assessments, together with information relating to late charges, attorneys fees~~the Association's current Regular Assessment (or if applicable Partial Assessments) and Special Assessments and fees; and (2) the

³¹ See Civil Code § 4525.

³² See Civil Code § 5300.

³³ See Civil Code § 5305.

³⁴ See Civil Code § 5310.

³⁵ See Civil Code § 5320.

amount of any Assessments levied upon the Owner's Lot that remain unpaid as of the date of the delinquency statement and any monetary fines or penalties levied upon the Owner's Lot and unpaid as of the date of the delinquency statement. The delinquency statement shall also include true information on late charges, interest, and costs of collection ~~which~~that, as of the date of the delinquency statement ~~is issued~~, are or may become a lien ~~on~~against the Owner's Lot ~~being sold;~~ and (2) ~~the amount of the Association's current Regular Assessment or if applicable Partial Assessments, and Special Assessments and fees; and~~³⁶;

(D) a copy or a summary of any notice previously sent to the Owner that sets forth any alleged violations of the Governing Documents that remain unresolved at the time of the request³⁷;

(E) ~~(D) Any~~ statement disclosing any change in the Association's current Regular, ~~Partial~~ and Special Assessments and fees ~~which have been approved by the Board of Directors~~has approved but have not become due ~~and payable~~as of the date the information is provided: to the prospective purchaser;

(F) if requested by the prospective purchaser, a copy of the minutes of the meetings of the Association's Board of Directors (other than executive session minutes) that were conducted over the previous twelve (12) months and approved by the Board.

(ii) ~~(ii) Within 10~~ Protocols and Fee Restrictions for Providing Requested Information. Within ten (10) days of the Association's receipt mailing or delivery of a request for the information described in subparagraph (a)(i), above, the Association shall provide the Owner with copies of the requested items.³⁸ These subparagraph (b) documents may be maintained in electronic form and the requesting parties shall have the option of receiving them by electronic transmission or in machine readable storage media if the Association maintains the requested items in electronic form and may be posted on the Association's Internet Website, if such a website is maintained. The Association shall be entitled to impose a fee for providing the requested items equal to (but not more than) the reasonable cost of preparing and reproducing the Association may charge a reasonable fee for this service based upon the Association's actual cost to procure, prepare, and reproduce the requested items. Upon receipt of a written request, the Association shall also provide the requesting Owner a written or electronic estimate³⁹ of the fees that will be assessed for providing the requested information. No additional fees may be charged by the Association when the consenting Owner requests or consents to electronic delivery of requested items.⁴⁰

~~(B) Payment of Assessments and Compliance with Rules. Each Owner shall pay, when due, each Regular, Partial, Special and Special Individual Assessment levied against the Owner and his or her Lot and shall observe, comply and abide by any and all rules and regulations set forth~~

³⁶ See Civil Code §§ 5660-5680.

³⁷ See Civil Code § 5855.

³⁸ See Civil Code § 4530.

³⁹ See Civil Code § 4528 (detailing the form of the estimate).

⁴⁰ See Civil Code § 4530(b).

~~in, or promulgated by the Association pursuant to, any Governing Document for the purpose of protecting the interests of all Owners or protecting the Common Area and Common Facilities.~~

~~(e) — Discharge of Assessment Liens. — Each Owner shall promptly discharge any Assessment lien that may hereafter become a charge against his or her Lot.~~

Fees for these statutory documents shall be distinguished from other fees, fines, or assessments billed as part of the transfer or sales transaction.⁴¹ Delivery shall not be withheld or subject to any condition except the payment of the statutorily allowed fees.

(c) (d) — Joint Ownership of Lots. In the event of If joint ownership of any Lot occurs, the obligations and liabilities of the multiple Owners under the Governing Documents shall be joint and several. Without limiting the foregoing, this subparagraph (dc) shall apply to all obligations, duties and responsibilities of Owners as set forth in this Declaration, including, without limitation, the payment of all Assessments.

(d) (e) — Prohibition on Avoidance of Obligations. No Owner, by abandonment of the Owner's Lot or otherwise, may avoid the burdens and obligations imposed on such Owner by the Governing Documents, including, without limitation, the payment of Assessments levied against the Owner and his or her their Lot pursuant to Article IV of this Declaration.

(e) (f) — Termination of Obligations. Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferor-Owner shall not be liable for any Assessments levied with respect to regarding such Lot which that become due after the date of Recording of the deed evidencing the transfer and, upon such Recording, all Association membership rights possessed by the transferor by virtue of the ownership of the Lot shall automatically cease.

ARTICLE III **PROPERTY OWNERS ASSOCIATION**

Section 3.01. Formation. The Green Springs Ranch Landowners Association, Inc., is a California nonprofit mutual benefit corporation the Declarant formed as part of the common plan of development contemplated by this Declaration and the Subdivision Map. The Association shall be charged with the duties and invested with the powers set forth in the Association's Governing Documents, including, but not limited to, ownership, control, maintenance and repair of the Common Areas and Common Facilities.⁴²

Section 3.02. Association Action; Board of Directors and Officers. Except for those matters requiring Member approval under the Governing Documents or California law, the Association's affairs shall be conducted and all corporate powers shall be exercised by the Board of Directors and such officers, managers and/or agents as the Board may elect or appoint.⁴³ The Board shall have the power to delegate the management of the activities of the Association to any person(s), management company or committee, however composed, if the Association's activities

⁴¹ See Civil Code § 4530(b)(3).

⁴² See Declaration Section 2.02(a).

⁴³ See Corporations Code § 7210.

and affairs are managed and all corporate powers are exercised under the ultimate direction of the Board of Directors.

ARTICLE III
Property Owners' Association

Section 3.03. Membership.

(a) ~~Section 1. Association Membership. Every~~ Qualifications. Each Owner of a Lot, sole or joint ownership, shall be considered a Member of the ~~Green Springs Ranch Landowners Association. Each~~ Association. An Owner shall hold one membership in the Association for each Lot owned ~~and the membership shall be appurtenant to such Lot.~~ Sole or joint ownership of a Lot ~~shall be~~ is the sole qualification for membership in the Association. Each Owner shall remain a Member of the Association until ~~his~~ their ownership of, or ~~her~~ ownership interest, in all Lots ~~in the Properties owned~~ ceases, at which time ~~his or her~~ the Owner's membership in the Association shall automatically cease. Persons or entities who hold an interest in a Lot merely as security for performance of an obligation are not Members ~~until such time as the security holder comes into title to the Lot through foreclosure or deed in lieu hereof.~~

(b) ~~Section 2. One Class of Members' Rights and Duties.~~ Membership. The in the Association shall ~~have one class of membership and give rise to~~ the rights, duties, and obligations ~~and privileges of the Members shall be as~~ set forth in the Governing Documents and any amendments thereto.

~~Section 3. Voting Rights of Members. Each Member shall be entitled to one vote for each Lot owned by that Member. When more than one person holds an interest in any Lot, all such persons shall be Members, although in no event shall more than one vote be cast with respect to any Lot. Voting rights may be temporarily suspended under those circumstances described in Article XI, section 6 hereof.~~

~~Section 4. Assessments. The Association shall have the power to establish, fix and levy Assessments against the Owners of Lots within the Properties and to enforce payment of such Assessments in accordance with Article IV of this Declaration. Any Assessments levied by the Association against its Members shall be levied in accordance with and pursuant to the provisions of this Declaration.~~

Section 3.04. Section 5. Transfer of Membership Memberships. Membership in the Association shall not be transferred, encumbered, pledged or alienated in any way, except upon the sale of the Lot to which it is appurtenant, and then, only to the purchaser. ~~In the case of that Lot. With~~ a sale, the membership appurtenant to the transferred Lot shall pass automatically to the purchaser upon Recording the Recordation of a deed evidencing the transfer of title. ~~In the case of an~~ With a Recorded encumbrance ~~of such~~ regarding any Lot, ~~at the~~ the Mortgagee ~~does not have~~ shall possess no membership rights until ~~he or she~~ the Mortgagee becomes an Owner by

foreclosure or acceptance of a deed in lieu thereof. Tenants ~~who are delegated rights of use pursuant to Article II, section 3 hereof do not thereby become Members, although the tenant and his or her family and guests shall, at all times, be subject to the provisions of all Governing Documents. Any attempt to make a prohibited transfer is void~~ are not Members. If any Owner fails or refuses to transfer the membership registered in ~~his or her~~ their name to the purchaser of ~~his or her~~ the Owner's Lot, the Association ~~shall have the right to~~ may record the transfer upon its books and ~~thereupon~~ any other membership outstanding in the name of the seller shall be ~~null and~~ void.

Section 3.05. Section 6. — Powers and Authority of the Association.

(a) Powers, Generally. The Association ~~shall have the responsibility of owning, managing and maintaining the roads and other~~ must own, manage and maintain the Development's Common Areas and Common Facilities ~~within Green Springs Ranch and discharging~~ and discharge the other duties and responsibilities imposed on the Association ~~by~~ under the Governing Documents, and California law. In the discharge of such responsibilities and duties, the Association shall have ~~all of~~ the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California in the ownership and management of its ~~properties~~ property and the discharge of its responsibilities ~~hereunder for the~~ to benefit ~~of~~ its Members, subject only to such limitations upon ~~the exercise of~~ exercising such powers as are ~~expressly~~ set forth in the Governing Documents. The Association ~~and its Board of Directors~~ shall have the power to do any ~~and all~~ lawful things which may be authorized, required or permitted to be done under and by ~~virtue of~~ the Governing Documents, and to do and perform any ~~and all~~ acts which may be necessary or proper for, or incidental to, ~~the exercise of any of~~ exercising the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners and the proper management and maintenance of the Common Facilities. ~~The specific powers of the Association and the limitations thereon shall be as set forth in Article VIII of the Bylaws.~~

(b) Association as Attorney-In-Fact for Owners. Without limiting the generality of the foregoing, the Association is irrevocably appointed as the attorney-in-fact for the Owners of every Lot to: (i) manage, control and deal with the interest of such Owners in the Common Area to permit the Association to fulfill all of its duties and obligations and to exercise its rights; (ii) deal with the Development upon its destruction, obsolescence or condemnation;⁴⁴ and (iii) to deal with and handle insurance and insurance proceeds.⁴⁵ The Association is appointed as the Owner's attorney-in-fact upon Owner's acceptance of any interest in a Lot.

(c) ~~(B)~~ Association's Limited Right of Entry.

(i) Right of Entry, Generally. Without limiting the ~~generality of the~~ foregoing ~~enumeration of corporation~~ description of powers, but in addition thereto, the Association ~~is hereby authorized and empowered directly or through~~ and its agents shall have the right and power to enter any Lot ~~when necessary~~ to perform the Association's obligations under this Declaration, including: ~~(i) obligations to enforce the minimum construction standards and land~~

⁴⁴ See Declaration Articles XI and XII.

⁴⁵ See Declaration Articles X.

~~use restrictions of Articles V and VIII hereof; and (ii) any obligations with respect to construction, maintenance and repair of adjacent roadways.~~

- (A) obligations to enforce the architectural review and approval requirements, minimum construction standards and/or land use restrictions of Declaration Articles V, VI and VIII, respectively;
- (B) any obligations regarding construction, maintenance and repair of adjacent Common Areas, Common Facilities; or
- (C) to make necessary repairs that an Owner has failed to perform which, if left undone, will threaten, or unreasonably interfere with, any portion of the Development or the Owners in common.

(ii) Limitations on Exercise of Right. The Association's right of entry ~~pursuant to~~ under this subparagraph (bc) ~~shall be~~ is subject to ~~the following~~ these limitations:

(A) The right of entry may be exercised immediately and without prior notice to the Owner or resident ~~in case of~~ if an emergency occurs originating in or threatening the Lot/Residence where entry is required or any adjoining roadway. The Association's work may be performed under such circumstances whether or not the Owner or ~~his or her~~ their lessee is present.

(B) In all ~~nonemergency~~ non-emergency situations involving routine repair and/or maintenance activities, the Association, or its agents, shall furnish the Owner or ~~his or her~~ their lessee with at least twenty-four (24) hours prior written notice of its intent to enter the Lot, specifying the purpose and scheduled time of such entry; and shall make every reasonable effort to perform its work and schedule its entry ~~in a manner that~~ so it respects the privacy of the persons residing ~~on~~ in the Lot/Residence. ~~This~~ The notice can take the form of a ~~general notice~~ General Notice to all affected Owners when work is being performed on adjacent roadways.

(C) In all ~~nonemergency~~ non-emergency situations involving Association access ~~by the Association for purposes of enforcing~~ to enforce the Governing Documents against an Owner in default, the Association's entry shall be subject to observance of the notice and hearing requirements ~~imposed in Article II, section 4(e) hereof.~~ ⁴⁶

(D) In no event shall the Association's right of entry hereunder be construed to permit the Association or its agents to enter any Residence.

Section 3.06. ~~Section 7.~~ Association Rules.

(a) Rule Making Power. The Board ~~of Directors~~ may, ~~from time to time and~~ subject to ~~the provisions of~~ this Declaration, propose, enact and amend rules and regulations of

⁴⁶ See Declaration Section 12.06(d).

general application to the Owners and to the use and enjoyment of Lots and Residences ("ASSOCIATION RULES"). The Association Rules may concern, but need not be limited to: (i) matters pertaining to ~~the maintenance, repair, management and use of the roads;~~ (ii) the conduct of maintaining, repairing, managing and using the Common Area and Common Facilities; (ii) architectural control and the Architectural Rules; (iii) regulating property use restrictions;⁴⁷ (iv) collecting delinquent Assessments; (v) minimum improvement standards;⁴⁸ (vi) conducting disciplinary proceedings ~~in accordance with Article 11, section 4 hereof;~~ (iii) regulation of all matters subject to regulation and restriction under Article VII, hereof; and (iv);⁴⁹ and (vii) any other subject or matter ~~within the jurisdiction of the Association as provided in~~ within the Association's jurisdiction under the Governing Documents. Conflicts among the Act, Governing Documents, and Association Rules are resolved under statutory hierarchy of laws.⁵⁰

~~Notwithstanding the foregoing grant of authority, the Association Rules shall not be inconsistent with or materially alter any provision of the other Governing Documents or the rights, preferences and privileges of Members thereunder. In the event of any material conflict between any Association Rule and any provision of the other Governing Documents, the conflicting provisions contained in the other Governing Documents shall be deemed to prevail.~~

(b) Distribution of Rules. ~~A~~ The Association shall deliver to each Owner a copy of the Association Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner by General Notice: (i) within fifteen (15) days after a new Association Rule is adopted or an existing Association Rule is amended;⁵¹ or (ii) within ten (10) days following receipt of an Owner's written request for a copy of the Rules.

(c) Adoption and Amendment of Rules. ~~Association Rules may be adopted or amended from time to time by a majority vote of the Members in good standing, provided, however, that no Association rule or amendment thereto shall be voted upon until at least 30 days after the proposed rule or rule amendment has been communicated to the Members in writing. The notice describing the proposed rule or amendment shall also set forth the date, time and location of the Board of Directors meeting at which action on the proposal is scheduled to be taken. Any duly adopted rule or amendment to the Association Rules shall become effective immediately following the date of adoption thereof by the Board of Directors, or at such later date as the Board of Directors may deem appropriate. Any duly adopted rule or rule amendment shall be distributed to the Owners by mail.~~

~~Section 8. Breach of Rules or Restrictions. Any breach of the Association Rules or of any other Governing Document provision shall give rise to the rights and remedies set forth in Article II section 4 hereof.~~

(i) Requirement of Prior Notice to the Members of Certain Operating Rules or Amendments Thereto. An "OPERATING RULE" is an Association Rule or regulation that

⁴⁷ See Declaration Article VIII.

⁴⁸ See Declaration Article VI.

⁴⁹ See Declaration Section 12.06.

⁵⁰ See Civil Code § 4205.

⁵¹ See Civil Code § 4360(g).

applies generally to the management and operation of the Development or to the conduct of the business and affairs of the Association.⁵² A "RULE CHANGE" is any adoption, amendment, or repeal of an Operating Rule by the Board of Directors.⁵³ Seven (7) types of Operating Rules (and Rule Changes involving Operating Rules) must first be provided to the Members by General Notice at least twenty-eight (28) days before the Board implements the Rule Change.⁵⁴ Prior notice to the Members applies only to Operating Rules that relate to one or more of the following subjects:

- (A) Use of the Common Areas or Common Facilities of the Development;
- (B) Use of any Lot or Residence in the Development, including Architectural Rules;
- (C) Member discipline, including any schedule of monetary penalties for violating the Governing Documents and any procedure for imposing penalties;
- (D) Any standards adopted by the Board for delinquent Assessment payment plans;
- (E) Any procedures adopted by the Association for resolution of disputes.
- (F) Any procedures for reviewing and approving or disapproving a proposed physical change to an Owner's Lot or Residence from and after the time when the Association is solely responsible for appointing all Architectural Committee members; and
- (G) Any procedures for the conducting elections requiring member approval under the Act or the Governing Documents⁵⁵ ("ELECTION OPERATING RULES").

Prior notice to the Members is *not* required under the following Board actions, whether or not those actions may be construed as being Association Rules or Operating Rules⁵⁶:

- (i) Any Rule Change that the Board adopts to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the Association (such "EMERGENCY RULES" can be adopted and remain in effect for up to one hundred and twenty (120) days⁵⁷;

⁵² See Civil Code §§ 4340(a), 4355(a).

⁵³ See Civil Code § 4340(b).

⁵⁴ See Civil Code § 4355(a).

⁵⁵ See Civil Code §§ 5100(a) and 5105.

⁵⁶ See Civil Code § 4355(b).

⁵⁷ See Civil Code § 4360(d).

- (ii) Board decision regarding maintenance of the Common Areas or Common Facilities;
- (iii) Board decision on a specific matter not intended to apply to all Members, generally;
- (iv) Board decision establishing the amount of a Regular or Special Assessment;
- (v) A Rule Change required by law (if the Board of Directors has no discretion regarding the substantive effect of the Rule Change); and
- (vi) Board's issuance of a document that merely repeats existing law or the Governing Documents.

(ii) Right of Members to Challenge Certain Proposed Rules or Rule Changes. With respect solely to Operating Rules and/or Rule Changes listed in subparagraphs (A) through (G), of subsection (c)(i) above, Members owning five percent (5%) or more of the Lots in the Development may demand that a special membership vote be called to reverse a proposed Rule Change or new Operating Rule, if the request is delivered to the Association not more than thirty (30) days after the Board provides Members General Notice of the Rule Change.⁵⁸ If the requisite Members properly and timely deliver a special vote to rescind an Operating Rule or Rule Change to the Association, the Board must conduct a secret ballot vote of the Members on whether to reverse the Rule Change. The vote on the proposal to reverse a Rule Change must be conducted not less than thirty-five (35) days nor more than ninety (90) days after receipt of a proper Member request for a vote.⁵⁹

The Rule Change may be reversed by the affirmative vote of a Majority of a Quorum of the Members. If the opposition succeeds, the Board may not act to readopt the Operating Rule or Rule Change for a period of one year after the close of voting (although Rules on same or similar subjects is permitted). The Board shall provide General Notice to each Member of the results of the Member vote no later than fifteen (15) days after close of voting.⁶⁰

(iii) Minimum Content for Election Operating Rules. The Association shall adopt Election Operating Rules that do all of the following⁶¹:

(A) Ensure that any candidate or Member advocating a viewpoint is provided access to Association media, newsletters, or internet websites during a campaign if the access is reasonably related to that election. Equal access shall be provided to all candidates and Members advocating a viewpoint (whether or not endorsed by the Board). The Association may not edit or redact any content from these campaign communications, but may include a statement specifying that the candidate or Member, and not the Association, is responsible for that content.

⁵⁸ See Civil Code § 4365.

⁵⁹ See Civil Code § 4365(b).

⁶⁰ See Civil Code § 4365(g).

⁶¹ See Civil Code § 5105(a).

(B) Ensure access to the Common Area meeting space, if any exists, during a campaign, at no cost, to all candidates, including those who are not incumbents, and to all Members advocating a viewpoint (whether or not endorsed by the Board) so long as use of the space is for a purpose reasonably related to the election.

(C) Specify the qualifications for candidates for election to the Board of Directors and any other elected position⁶², and procedures for the nomination of candidates. A nomination or election procedure shall not be deemed reasonable if it disallows any Member of the Association from nominating themselves for election to the Board.

(D) Specify the Voting Power of each membership, the authenticity, validity, and effect of proxies, and the voting period for elections, including the times at which polls will open and close.

(E) Specify a method of selecting one or three Inspectors of Election by the Board of Directors.

(F) Allow the Inspector or Inspectors of Election the authority to appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) deem appropriate, provided that the persons are independent third parties.

(G) Require retention of, as association election materials, both a candidate registration list and a voter list.⁶³

(iv) Adopting Other Association Rules. The Board in majority vote may adopt any other Association Rule other than those outlined in subparagraph (c)(i), above; provided, however, that the Board provide General Notice (including description of purpose and effect of the rule) to the Members at least twenty-eight (28) days before making the rule change. The notice shall also set forth the date, time and location of the Board meeting at which action on the proposal is scheduled to be taken. The rule becomes effective immediately upon the date of the Board adopts it.

(v) Prohibition on Adoption of Certain Rules. The Civil Code or California laws prohibit the following non-exhaustive list of rules:

(A) any rule or regulation of an association that arbitrarily or unreasonably restricts an Owner's ability to market their Lot or Residence⁶⁴, or which imposes an Assessment or fee in connection with marketing the Owner's Lot or Residence that exceeds the association's actual or direct costs⁶⁵;

(B) any rule that violates the right of Owners to display a sign advertising the Owner's Lot or Residence for sale or lease that violates Civil Code sections 712 or 713;

⁶² Subject to Civil Code § 5105(b).

⁶³ See Civil Code § 5105(a)(7).

⁶⁴ See Civil Code § 4730.

⁶⁵ See Civil Code § 5600(b).

(C) any rule that prohibits, or includes conditions that have the effect of prohibiting the use of: (i) low water-using plants as a group or as a replacement of existing turf; (ii) artificial turf or any other synthetic surface that resembles grass; or (iii) has the effect of prohibiting or restricting compliance with either a water-efficient landscape ordinance adopted under California Government Code section 65595(c) or any regulation or restriction on using water under California Water Code sections 353 or 375⁶⁶;

(D) any rule that limits or prohibits the Owner's right to display the United States flag on the Owner's Lot or Residence⁶⁷;

(E) any rule that prohibits the posting or display of noncommercial signs, posters, flags or banners on an Owner's Lot or Residence, except as required to protect public health or safety or if the posting or display would violate a local, state or federal law⁶⁸;

(F) any rule prohibiting the modification of the Owner's Lot or Residence to accommodate a disability⁶⁹; or

(G) any rule prohibiting a Member or Resident from using social media to discuss certain matters⁷⁰ even if the content is critical of the Association or its governance.

Section 3.07. ~~Section 9.~~ Limitation on Liability of the Association's Directors and Officers; ~~Indemnification.~~

(a) ~~Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Association's annual financial budget, the funding of Association capital replacement and reserve accounts, repair and maintenance of Common Areas and Common Facilities and enforcement of the Governing Documents.~~ Claims Regarding Breach of Duty. No Association director or officer (collectively and individually referred to as the "RELEASED PARTY") shall be personally liable to any of the Members, or to any other person, for any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required under the Governing Documents⁷¹; provided that such Released Party has, upon the basis of such information as they possessed, acted in good faith, in a manner that such person believes 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.

(b) Other Claims Involving Tortious Acts and Property Damage. No person who suffers bodily injury (including, without limitation, emotional distress or wrongful death) ~~as a result~~ because of the tortious act or omission ~~by a volunteer member of the Board of Directors or~~

⁶⁶ See Civil Code § 4735.

⁶⁷ See Civil Code § 4705.

⁶⁸ See Civil Code § 4710.

⁶⁹ See Civil Code § 4760(a)(2).

⁷⁰ See Civil Code § 4515(a)(6) regarding permitted discussion topics.

⁷¹ See Corporations Code § 7231.

~~volunteer officer of the~~ of an Association's ~~volunteer director or officer~~ shall recover damages from such ~~Board of Directors member~~director or officer if all of the following conditions are satisfied⁷²:

- (i) The ~~Board of Directors member~~director or officer ~~is the Owner of~~owns no more than two (2) Lots within the Development;
- (ii) The act or omission was performed within the scope of the volunteer Board ~~of Directors member~~'s or officer's Association duties;
- (iii) The act or omission was performed in good faith;
- (iv) The act or omission was not willful, wanton, or grossly negligent;
- (v) The Association maintained and had in effect ~~at the time when~~ the act or omission occurred general liability insurance in at least the amount of One Million Dollars and when a claim is made one or more insurance policies that include coverage for general liability of the Association and individual liability of officers and directors for negligent acts or omissions in their official capacities, with minimum coverage of at least one million dollars (\$1,000,000).

~~The payment of actual expenses incurred by a board member or officer in the execution of such Person's Association duties shall not affect such Person's status as a volunteer Board of Directors member or officer for the purposes of this section. A Board of Directors member or officer who at the time of the act or omission received either direct or indirect compensation as an employee from Declarant or from a financial institution that purchased a Residence at a judicial or non-judicial foreclosure of a Mortgage is not a volunteer for purposes of this section. The provisions of this subparagraph(b) are intended to reflect the protections accorded to volunteer directors and officers of community associations pursuant to California Civil Code section 1365.7. In the event said civil code section is amended or superseded by another, similar provision of the California statutes, this subparagraph (b) shall be deemed amended to correspond to the amended or successor code provision.~~

(c) ~~Indemnification. The Association shall pay all expenses incurred by, and satisfy any judgment or fine levied against, any officer, director, officer or committee member of the Association (Indemnified Person) as a result of any action or threatened action against such Indemnified Person to impose liability on such Indemnified Person for acts or omissions which he or she reasonably believed to be within the scope of his or her Association duties, provided that:~~Non-liability of Owners. No Owner shall be liable for any cause of action in tort which can be brought against the Owner solely because of the Owner's undivided interest in the Common Area if the Association keeps one or more policies of insurance which include coverage for general liability of the Association in the statutorily required amounts and that insurance is in effect for the cause of action being brought.⁷³

⁷² See Civil Code § 5800.

⁷³ See Civil Code § 5805.

~~(i) The Board of Directors determines that such Indemnified Person acted in good faith and in a manner such Indemnified Person reasonably believed to be in the best interests of the Association;~~

~~(ii) In the case of a criminal proceeding, the Board of Directors determines that such Indemnified Person had no reasonable cause to believe his conduct was unlawful, and~~

~~(iii) In the case of an action or threatened action by or in the right of the Association, the Board of Directors determines that such Indemnified Person acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.~~

~~Any determination of the Board of Directors to authorize indemnification under this section must be approved by a majority vote of at least a quorum consisting of directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board of Directors fails or refuses to make any such determination, a Majority of a Quorum of the Member majority vote of at least a quorum of Members in good standing may authorize indemnification of an Indemnified Person or Persons provided that the Indemnified Person(s) to be indemnified shall not be entitled to vote.~~

~~Payments made hereunder shall include amounts paid and expenses incurred in settling any such action or threatened action. This section shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by the California Corporations Code.~~

~~The entitlement to indemnification hereunder shall inure to the benefit of the estate, executor, administrator, heirs, legatees, or devisee of any Person entitled to such indemnification.~~

~~ARTICLE IV Assessments~~

ARTICLE IV ASSESSMENTS

Section 4.01. Section I. ~~Assessments Generally.~~

(a) Covenant to Pay Assessments. Each Lot Owner ~~of one or more Lots~~, by acceptance of a deed ~~or other conveyance~~ therefor (whether or not ~~it shall be so~~ expressed in such deed ~~or conveyance~~), covenants and agrees to pay to the Association: (i) Regular Assessments; (ii) Partial Assessments; (iii) Special Assessments; ~~and~~ (iv) Special Individual Assessments. ~~Each such Assessment shall be established and collected as hereinafter provided; and~~ (v) Emergency Assessments.

(b) Extent of Owner's Personal Obligation for Assessments. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a debt and a personal obligation of the ~~Person~~ person who ~~was~~ is the Owner of the Lot ~~at the time when~~ the Assessment was levied.⁷⁴ Each Owner who acquires title to a Lot ~~(whether at judicial sale, trustee's sale or otherwise) shall be~~ is personally liable only for Assessments attributable to the Lot ~~which that~~ become due and payable after the date ~~of such sale, and that the Owner acquires title.~~ Accordingly, when a person acquires title to a Lot, they shall not be personally liable for delinquent Assessments of prior Owners of that Lot unless the new Owner expressly assumes the personal liability. ~~Any unpaid Assessment of a previous Owner against whom assessed~~ However, if the acquired Lot is conveyed subject to a valid lien for delinquent Assessments (and related costs of collection), the Association may continue to exercise its foreclosure remedies against the Lot, regardless of the change of ownership, and/or the Association may pursue its collection remedies against the prior Owner, individually.

(c) Creation of Assessment Lien. ~~A II Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall~~ The Assessment amount, plus any costs of collection, late charges, and interest assessed, shall be a ~~charge on the Lot and shall be a continuing lien upon the Lot against which such Assessment is made~~ lien on the Owner's Lot from and after the date that the Association causes to be Recorded in the Office of the County Recorder a Notice of Delinquent Assessment.⁷⁵ Any lien for unpaid Assessments ~~created pursuant to the provisions of~~ (other than certain types of Special Individual Assessments) created under this Article IV may be subject to foreclosure ~~as provided in section 10(b) hereof.~~⁷⁶ Certain Special Individual Assessments are prohibited by law from being recovered through non-judicial foreclosure remedies.⁷⁷

(d) No Avoidance of Assessment Obligations. No Owner may exempt ~~himself/herself from themselves~~ or the Lot from liability or charge for the Owner's share of any Assessment made against the Owner or their share of any imposed Regular or Special Assessment, by waiving or relinquishing, or offering to waive or relinquish, the Owner's right to use and enjoy all or any portion of the Common Area or Common Facilities or by the abandonment or non-use of the Lot or Residence.

~~personal liability for Assessments duly levied by the Association, nor release the Lot or other property owned by him/her from the liens and charges hereof, by abandonment or non-use of his/her Lot or any other portion of the Properties.~~

Section 2.

(e) Prohibition on Excessive Assessments and Fees. The Association shall not impose or collect an Assessment or fee that exceeds the amount necessary to defray the costs for which the Assessment or fee is imposed.⁷⁸ Notwithstanding, the Board's discretion is not restricted in

⁷⁴ See Civil Code § 5650(a).

⁷⁵ See Civil Code §§ 5650(b); 5675.

⁷⁶ See Declaration Section 4.10(b).

⁷⁷ See Cal. Code of Regs. § 2792.26(c); Civil Code § 4725.

⁷⁸ See Civil Code § 5600(b).

the discharge of its duty to prepare the Association's Annual Budget Report, including estimating the Association's Reserve funding requirements.

Section 4.02. Regular Assessments.

(a) Preparation of Annual Budget and Annual Budget Report. ~~Establishment of Regular Assessments.~~ Not less than ~~45~~thirty (30) days nor more than ~~60~~ninety (90) days ~~prior to before~~ the ~~beginning~~end of the Association's ~~fiscal~~Fiscal year, the Board of ~~Directors shall estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement or additions to the Common Facilities) by preparing and distributing to all Members a budget satisfying the requirement of Article XI, section 5 or the Bylaws. If the Board of Directors fails to distribute the budget for any fiscal year within the time period provided for in this section~~shall distribute an Annual Budget Report to the Members that includes a pro forma operating budget, showing the estimated revenue and expenses of the Association on an accrual basis; a summary of the Association's Reserves; and other financial information and disclosures.⁷⁹ The Annual Budget Report must include the Assessment and Reserve Funding Disclosure Summary form.⁸⁰ Relying on the Annual Budget Report, the Board of Directors shall ~~not be permitted to increase Regular Assessments for that fiscal year unless the Board of Directors first obtains the Members' approval in accordance with section 8, below~~establish the Regular Assessment amount for the next succeeding Fiscal year (subject to any Member approval requirements described in subparagraph (b), below). If the pro-forma budget calls for an increase in the Regular Assessment, the Association provide Individual Notice to the Members of the budgeted amount of the increased Regular Assessment for the next succeeding Fiscal year, not less than thirty (30) nor more than sixty (60) days before the increased Regular Assessment becoming due.⁸¹

(b) Application and Use of Assessments Proceeds. The ~~assessment~~Assessment funds collected by the Association ~~in accordance with~~under this Article IV shall be expended for the following purposes:

(i) The principal use of the ~~assessment~~Assessment proceeds shall be to maintain and improve the Common Areas and Common Facilities, such as the private roads (including culverts and drainage systems), open areas, gateways and fences established and maintained within the ~~Properties~~Property;

(ii) Any remaining funds may be utilized for emergency work necessary to keep the ~~community~~Development safe; ~~and~~

(iii) Any remaining funds may be used to defray the expense of proceedings required by the Association to enforce the terms of ~~this Declaration or the other~~ Governing Documents ~~of the Association,~~ including, without limitation, the collection of delinquent ~~assessments.~~Assessments; and

⁷⁹ See Civil Code § 5300(a),(b).

⁸⁰ See Civil Code § 5570.

⁸¹ See Civil Code § 5615.

(iv) Such other purposes described in Section 4.09(b), below.

(c) ~~Establishment of Regular Assessment by Board of Directors~~Establishing the Regular Assessment; Board/Membership Approval Requirements. ~~The Total annual expenses~~ The total Common Expenses estimated in the Association's budget (less projected income from sources other than Assessments) shall become the aggregate Regular Assessment for the next succeeding Fiscal year; provided, however, that the Board's authority to increase the Regular Assessment in any particular Fiscal year shall be subject to these two limitations:

(i) The Board may not impose annual increases in Regular Assessments for any fiscal year unless: (i) the Board has timely distributed an Annual Budget Report⁸²; or (ii) the Board has obtained the approval of a Majority of a Quorum of the Members for the Assessment increase⁸³; and

(ii) ~~projected income from sources other than Assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year; provided, however, that, except as~~ Except as provided ~~in section 5 or this Article~~in Section 4.05, below, the Board of Directors may not impose a Regular Assessment that is more than 20twenty percent (20%) greater than the Regular Assessment for the Association's immediately preceding ~~fiscal~~ Fiscal year without the ~~Members'~~ prior approval ~~in accordance with section 8, below~~of a Majority of a Quorum of the Members for the Assessment increase.⁸⁴

(d) Allocation of Regular ~~Assessment~~Assessments. The total estimated Common Expenses, ~~determined in accordance with subparagraph (a),~~ shall be allocated among, assessed against, and ~~charges~~charged to each Owner according to the ratio of the number of Lots ~~with~~ in within the ~~Properties~~Development owned by the assessed Owner to the total number of Lots subject to ~~Assessments~~Assessment, so that each Lot bears an equal share of the total Regular Assessment.

(e) Exception to Regular Assessment:-; Partial Assessment. The Owner of any Lot whose only vehicular passage to that Lot does not access the Association's Common Area roads (including associated culverts and drainage systems) may have ~~his/her~~their share of the Regular Assessment prorated to a Partial Assessment that includes no less ~~then his/her~~than their share of the Regular Assessment allocated for in ~~this section 2(b)(ii) and section 2(b)(iii)~~subparagraph (b), above. This prorated ~~assessment~~Assessment can only be established by a majority vote of at least a quorum of the Board of Directors and must be approved each time the Regular Assessment is established or modified.

(f) Assessment Roll. ~~That~~ The portion of the ~~estimated~~ Common Expenses assessed against and charged to each Owner shall be set forth and recorded in an Assessment roll, which shall be maintained and available with the records of the Association ~~and shall be open for inspection at all reasonable times by each Owner or his or her authorized representative for any purpose reasonably related to the Owner's interest as a property Owner or as a Member. The Assessment roll (which may be maintained in the form of a computer printout) shall show, The~~

⁸² Including the information required by Civil Code § 5300(b)(2),(4),(5),(6),(7) and (8).

⁸³ See Civil Code § 5605(a); Declaration Section 4.08.

⁸⁴ See Civil Code § 5605(b); Declaration Section 4.08.

Assessment roll shall for each Lot, contain the name and address of the Owner of Record, all Regular, Partial, Special and Special Individual Assessments levied against each Owner and his or her their Lot, and the amount of such Assessments which have been paid or remain unpaid. The Delinquency Statement shall be conclusive upon the Association and the Owner of such Lot as to the amount of such indebtedness appearing on the Association's Assessment roll as of the date of such statement, in favor of all persons who rely thereon in good faith.

~~Lot, and the amount of such Assessments which have been paid or remain unpaid. The delinquency~~

~~statement required by Article II, section 4(a) hereof shall be conclusive upon the Association and the Owner of such Lot as to the amount of such indebtedness appearing on the Association's Assessment roll as of the date of such statement, in favor of all persons who rely thereon in good faith.~~

(g) ~~Mailing Notice of Assessment. Within the time requirements specified in subparagraph (a), above, the Board of Directors shall mail to each Owner, at the street address of the Owner's Lot, or at such other address as the Owner may from time to time designate in writing to the Association, a statement of the amount of the Regular Assessment for the next succeeding fiscal year.~~ Notices of Assessments and Related Financial Disclosures. Not less than thirty (30) nor more than sixty (60) days before the beginning of the Association's fiscal year the Board of Directors shall provide Individual Notice to the Members of the Regular Assessment amount for the next succeeding Fiscal year. In addition, the Board shall Individually Deliver: (i) general information regarding Assessments, foreclosure rights, payment of assessments and payment plans⁸⁵; (ii) a form containing summarized information regarding the amount of the current Regular Assessment, additional assessments already scheduled to be imposed or charged, and the calculation of capital replacement Reserve Account funding requirements⁸⁶; and (iii) a statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for the collection of delinquent Assessment obligations.⁸⁷

(h) Failure to Make Estimate. If, for any reason, Should the Board of Directors fails fail to make an estimate of the Common Expenses for any fiscal Fiscal year, then the Regular Assessment made for the preceding fiscal Fiscal year, together with any Special Assessment made pursuant to section 3(a)(i) of this Article under Section 4.03(a)(i), below, for that year, shall be assessed against each Owner and his or her their Lot on account of the then current fiscal Fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment shall be payable on the regular payment dates established by the Board of Directors. Regardless, the Board remains responsible for preparing the Annual Budget Report.

(i) Payment of Assessment. The total Regular Assessment and any Partial Assessments levied imposed against each Owner and his or her Lot shall be all be due and payable in advance to the Association on or before March 1st of each year. Installments of Regular Assessments shall be delinquent if not paid within fifteen (15) days of the due date.

Section 4.03. Section 3. — Special Assessments.

⁸⁵ See Civil Code § 5730.

⁸⁶ See Civil Code § 5570.

⁸⁷ See Civil Code § 5310(a)(7).

(a) Purposes for ~~which Levying~~ Special Assessments ~~May be Levied~~. Subject to the membership approval requirements set forth in subparagraph (b) below, the Board of ~~Director~~ Directors shall have the authority to levy Special Assessments against the Owners and their Lots, ~~if at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for that fiscal year. The Special Assessment shall be applicable to the remainder of such year only.~~ for these purposes:

(i) Regular Assessment Insufficient in Amount. If the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in that fiscal year's budget, then the Board of Directors shall levy and collect a Special Assessment, applicable to the remainder of such year only (payable in equal, monthly installments), to defray, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations.

(ii) Capital Improvements. The Board may also levy Special Assessments for additional capital Improvements within the Common Area (i.e., Improvements not in existence on the date of this Declaration that are unrelated to repairs for damage to, or destruction of, the existing Common Facilities). The Member must remit payment within thirty (30) days after the Board mails the notice or within such extended period as the Board shall determine to be appropriate under the circumstances giving rise to the Special Assessment.

(b) Special Assessments Requiring Membership Approval. The following Special Assessments require prior membership approval~~in accordance, with section 8, below~~⁸⁸: (i) ~~any~~ Special Assessments which, in the aggregate, exceed five percent (5%) of the Association's budgeted gross expenses for ~~the fiscal year in which the Special Assessment(s) is/are levied~~ that Fiscal year; and (ii) any Special Assessments imposed ~~pursuant to~~ under subparagraph (a)(i) of this section when the Board ~~of Directors~~ has failed to timely distribute a budget to the Members ~~within the time specified in section 2(a) of this article. The foregoing Member approval requirements shall not apply, however, to any~~⁸⁹. A Special Assessment imposed to address any "emergency situation" as defined in section 5 of this Article⁹⁰ is exempt from these membership approval requirements.

(c) Allocation and ~~payment~~ Payment of Special Assessments. When levied by the Board ~~of Directors~~ or approved by the Members ~~as provided above~~, the Special Assessment shall be divided among, assessed against and charged to each Owner and ~~his or her Lot in the same manner prescribed for the allocation of their Lot like~~ Regular Assessments ~~pursuant to subparagraph 2(d) above. The Special Assessment so levied shall be recorded on. The Board shall record any levied Special Assessments in~~ the Association's Assessment roll, and provide notice thereof shall be mailed to each Owner to the Owners, and the Special Assessment shall be payable to the Association within thirty (30) days after the mailing of such notice or within such extended period as the Board of Directors shall determine to be appropriate under the circumstances giving rise to the Special Assessment.

⁸⁸ See Civil Code § 5605.

⁸⁹ See Declaration Section 4.02(a).

⁹⁰ See Declaration Section 4.05.

(d) Lots Exempt ~~From~~ Special Assessments. The Board of Directors may vote to exempt certain Lots from Special Assessments where those Lots will not benefit from the uses of the Special Assessment. The Board of Directors must have achieve a quorum ~~of Directors~~ in order to vote, and there must ~~be~~ a majority of votes by the Directors in favor of exempting the Lot(s).

Section 4.04. ~~Section 4.~~ Special Individual Assessments.

(a) Circumstances Giving Rise to Special Individual Assessments. ~~In addition to the Special Assessments levied against all Owners in accordance with section 3, above, the~~ The Board of Directors may additionally impose Special Individual Assessments against an Owner in any of the circumstances described in subparagraphs (i) through (iii) below; provided, however, that no Special Individual Assessments may be imposed against an Owner ~~pursuant to this section~~ until the Owner has been afforded the notice and hearing rights to which the Owner is entitled ~~pursuant to Article XI, section 6 hereof~~, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Governing Documents.⁹¹ Subject to the foregoing, the acts facts and circumstances giving rise to liability for Special Individual Assessments include ~~the following~~:

(i) ~~(i)~~ Damage to Common Area or Common Facilities. ~~In the event that~~ If any damage to; or destruction of; any portion of the Common Area, Common Facilities is caused by the willful misconduct or negligent act or omission of any Owner, any member of ~~his or her~~ their family, or any of ~~his or her~~ their tenants, guests, servants, employees, licensees or invitees, the Board ~~of Directors~~ shall cause the same to be repaired or replaced, and all costs and expenses ~~incurred~~ in connection therewith (to the extent not compensated by insurance proceeds) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

(ii) Expenses Incurred in Gaining Member Compliance. ~~In the event that~~ Where the Association incurs any costs or expenses to: (A) accomplish the payment of delinquent Assessments; ~~(B)~~ (B) perform any repair, maintenance or replacement to any portion of the Properties ~~Development~~ that the Owner is responsible (but has failed) to maintain under the Governing Documents ~~but has failed to undertake or complete in a timely fashion~~; or (C) otherwise bring the Owner and/or ~~his or her~~ their Lot into compliance with ~~any provision of~~ the Governing Documents, the amount ~~incurred by~~ the Association incurs (including reasonable fines and penalties duly imposed ~~hereunder~~, title company fees, accounting fees, court costs and reasonable ~~attorneys~~ attorney's fees) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

(iii) Required Maintenance ~~on~~ With Respect to Lots Within the Development. If any Lot is maintained ~~so as to~~ become a nuisance, or a fire or safety hazard ~~as recognized by public authorities for any reason~~, the Association ~~shall have the right to~~ may enter⁹² the Lot, correct the condition and recover the cost of such action through imposition of a Special Individual Assessment against the offending Owner. ~~Any entry on the property of any Owner by the Association shall be effected in accordance with Article III, section 6(b) hereof.~~

⁹¹ See Declaration Section 12.06.

⁹² Subject to Declaration Section 3.05(c).

(b) Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied against an Owner ~~for any reason described, and subject to the conditions imposed in subparagraph (a) of this section, such,~~ the Board shall record the Special Individual Assessment ~~shall be recorded on~~ the Association's ~~roll and~~'s Assessment roll and mail notice to the affected Owner. The Special Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within thirty (30) days after the ~~mailing of~~ notice ~~of the Assessment is~~ mailed.

(c) Limitation on Right to Lien Lots For Special Individual Assessments. The right of the Association to collect delinquent Special Individual Assessments through lien and foreclosure remedies is subject to the limitations in Section 4.10(b)(x), below, and Civil Code section 5725. However the Association may collect Special Individual Assessments through other legal processes, including, without limitation, an action in small claims court.

Section 4.05. Assessments to Address Emergency Situations.

(a) ~~Section 5. Assessments to Address Emergency Situations. The requirement of a~~ Authority of Board to Impose Emergency Assessments. A membership vote to approve⁹³: (ai) Regular Assessment ~~increased~~increases in excess of ~~20~~twenty percent (20%) of the previous year's Regular Assessment; or (bii) Special Assessments which, in the aggregate, exceed ~~5~~five percent (5%) of the Association's budgeted gross expenses for the ~~fiscal~~Fiscal year in which the Special Assessment(s) is/are levied, shall not apply to Assessments ~~which are necessary~~ to address emergency situations ("EMERGENCY ASSESSMENTS")⁹⁴. For ~~purposes of this section~~Section, an emergency-situation is any of the following:

- (i) An extraordinary expense required by an order of a court;
- (ii) An extraordinary expense necessary to repair or maintain the Common Areas ~~and/or~~ Common Facilities where a threat to personal safety is discovered; ~~or~~
- (iii) An extraordinary expense necessary to repair or maintain the Common Areas ~~and/or~~ Common Facilities that the Board could not have ~~been~~ reasonably foreseen ~~by the Board of Directors~~ in preparing and distributing the budget ~~pursuant to section 2(a) of this Article;~~ provided, however, that ~~prior to~~before the imposition or collection of an assessment under this subparagraph (iii), the Board ~~of Directors~~ shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board ~~of Directors~~'s resolution shall be distributed to the Members ~~together with the notice of assessment~~with the notice of Assessment. For purposes of this subparagraph (iii), the term "maintain" shall include the Association's procurement, obtainment, or maintaining in effect of any insurance

⁹³ See Civil Code § 5610.

⁹⁴ See Civil Code § 5605.

obligated for the Common Areas and Common Facilities under Article X, below.

(b) Payment of Emergency Assessments. Any levied Emergency Assessment shall be divided among, assessed against and charged to each Owner and their Lot in the same manner prescribed for the allocation of Regular Assessments. The Board shall record the levied Emergency Assessment in the Association's Assessment roll and mail notice to the Owners. An Emergency Assessment shall be due as a separate debt of the Owner and shall be payable in full to the Association within thirty (30) days after the notice is mailed or within such extended period as the Board shall determine to be appropriate under the circumstances giving rise to the Emergency Assessment.

Section 4.06. ~~Section 6.~~ Purpose and Reasonableness of Assessments. ~~Each Assessment made in accordance with the provisions of this Declaration is hereby~~ Any Assessments are declared and agreed to be for use exclusively: (a) to promote the recreation, health, safety and welfare of individuals residing within the PropertiesDevelopment; (b) to promote the enjoyment and use of the PropertiesDevelopment and the Property by the Owners and their families, tenants, invitees, licensees, guests and employees; and (c) to provide for the repair, maintenance, replacement and protection of the Common Area and Common Facilities. ~~Each and every Every~~ Assessment levied ~~hereunder~~ is further declared and agreed to be a reasonable Assessment, and to constitute a separate, distinct and personal obligation (~~with respect to~~regarding which a separate lien may be created ~~hereby~~⁹⁵) of the Owner ~~of the Lot~~ against which the Assessment is imposed that shall ~~be binding on~~bind the Owner's heirs, successors and assigns; provided, however, that the personal obligation of each Owner for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 4.07. ~~Section 7.~~ Exemption of Certain Portions of the PropertiesDevelopment From Assessments. The following real property ~~subject to this Declaration shall, unless devoted to the use as a residential dwelling, shall~~ be exempt from the AssessmentsAssessments and the lien thereof provided herein:

- (a) Any portion of the PropertiesDevelopment dedicated and accepted by a local public agency or authority; ~~and~~
- (b) The Common Area and Common Facilities; and
- (c) ~~(b)~~ Any Lot owned by the Association.

Section 4.08. ~~Section 8.~~ Notice and Procedure for Member Approval Pursuant to Sections 2 and 3. ~~If Member approval is required in connection with any increase~~4.02 and 4.03. Approval of a Majority of a Quorum of the Members is required for certain increases or imposition of Assessments ~~pursuant to sections 2 and 3 of this Article, the affirmative vote required to approve the increase shall be a majority vote by at least a quorum of Members.~~under

⁹⁵ Subject to Declaration Section 4.10(b)(x).

Sections 4.02 and 4.03(a), above. The quorum requirement in such circumstances is a majority of the Members,⁹⁶ and the vote must be conducted using the secret balloting process.⁹⁷

Section 4.09. ~~Section 9.~~ Maintenance of Assessment Funds.

(a) Establishment and Maintenance of Association Bank Accounts. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more insured checking, savings or money market accounts in a bank or savings and loan association selected by the Board of Directors. In addition, the Board ~~of Directors shall be entitled to~~ may make prudent investment of ~~reserve funds~~ Reserve Funds in FDIC insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees. The Board ~~of Directors~~ and such officers or agents of the Association as the Board ~~of Directors~~ shall designate, shall have exclusive control of the account(s) and investments and shall be responsible to the Owners for ~~the maintenance at all times of accurate records thereof. The withdrawal of funds from the Association account shall require the signatures of at least two officers.~~ maintaining accurate records. Any interest received on deposits shall be credited proportionately to the balances of the Assessment fund accounts maintained on the books of the Association as provided in subparagraph (b), below.

~~To preclude a multiplicity of bank accounts, the proceeds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained. Any interest received on such deposits shall be credited proportionately to the balances of the various Assessment fund accounts maintained on the books of the Association as provided in subparagraph (b), below.~~

(b) Separate Accounts; Commingling Expenditure of Assessment Funds. Except as provided in this subparagraph (b) and in subparagraph (d), below, the proceeds of each Assessment shall be used only for the purpose for which such Assessment was made, and such funds shall be received and held in trust by the Association for such purpose. Notwithstanding the foregoing, the Board ~~of Directors,~~ in its discretion, may make appropriate adjustments among the ~~various~~ line items in the Board ~~of Directors's~~ approved general operating budget if the Board ~~of Directors~~ determines that it is prudent and in the best interest of the Association and its Members to make such adjustments. If the proceeds of any Special Assessment exceed the requirement of which such Assessment was levied, such surplus may, in the Board ~~of Directors's~~ discretion, be: (i) returned proportionately to the contributors thereof; (ii) reallocated among the Association's ~~reserve accounts's~~ Reserve Accounts if any such ~~account~~ Account is, in the Board ~~of Directors's~~ opinion, underfunded; or (iii) credited proportionately on account of the Owners' future Regular Assessment obligations. Except for temporary permitted transfers of monies from Reserve Accounts, the Board of Directors shall not expend funds designated as Reserve Funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, Major Components.⁹⁸

⁹⁶ See Civil Code § 5605.

⁹⁷ See Civil Code §§ 5115 – 5135.

⁹⁸ See Civil Code § 5510(b).

(c) **Separate Accounts; Commingling of Funds.** Except as otherwise provided in subparagraph (d), below, to preclude a multiplicity of bank accounts, the proceeds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts if the Board maintains separate accounting records. For accounting purposes, but requiring no physical segregation of assets, the Association shall keep a separate accounting of all funds received by the Association in payment of each Assessment and of all disbursements made therefrom; provided, however, that receipts and disbursements of Special Assessments made under Section 4.03(a)(i), above, shall be accounted for together with the receipts and disbursements of Regular Assessments, and a separate accounting shall be maintained for each Major Component for which Reserve Funds are allocated.

Unless the Association is exempt from federal or state taxes, all sums allocated to capital replacement funds shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the Association.

(d) **Reserve Funds.**

(i) **Required Study of Reserve Account Requirements.** At least once every three (3) years, the Board must cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the Major Components for which the Association must repair, replace, restore, or maintain as part of a study of the Association's Reserve Account requirements (a "**RESERVE STUDY**")⁹⁹. The Board must review this three (3) year rolling Reserve Study annually and adjust it as appropriate. If a particular Major Component has a remaining useful life of less than thirty (30) years it shall be included in the Association's Reserve Study. Reserve Studies must include the following:¹⁰⁰

(A) an identification of the Major Components that the Association is obligated to repair, replace, restore, or maintain which, as of the date of the Reserve Study, have a remaining useful life of less than thirty (30) years;

(B) an identification of the probable remaining useful life of those Major Components;

(C) an estimate of the cost of repair, replacement, restoration, or maintenance of the Major Components;

(D) an estimate of the total annual contribution to the Association's Reserve Account(s) that is necessary to defray the cost to repair, replace, restore, or maintain the Major Components for which the Association is responsible during and at the end of their useful life, after subtracting total Reserve Funds as of the date of the Reserve Study; and

(E) a **RESERVE FUNDING PLAN** that will disclose to the Members how the Association intends to raise the money that the Reserve Study indicates the Association will need

⁹⁹ See Civil Code § 5550(a).

¹⁰⁰ See Civil Code § 5550(b).

to meet the Association's obligations for the repair and replacement of all Major Components for which the Association is responsible with an expected remaining life of thirty (30) years or less, not including those Major Components that the Board has determined not to repair or replace. The Reserve Funding Plan shall include a schedule of the date and amount of any change in the Association's Regular Assessments or Special Assessment needed to sufficiently fund the Association's Reserve Account(s).

(ii) Adopting the Reserve Funding Plan. The Board shall adopt the Reserve Funding Plan at a Board meeting open to attendance by the Members¹⁰¹. If the Plan includes an increase in Assessments to properly fund the Reserve Accounts, approval of that increase shall be done as a separate action of the Board, with Member approval under certain circumstances.¹⁰² The Association shall provide its Members with a summary of the adopted Reserve Funding Plan.¹⁰³

(iii) ~~(e) Reserve Funds. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components of the Properties which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established. However, the Board may authorize the~~ Permitted Temporary Transfers of Reserve Funds. Notwithstanding subparagraph (b), above, the Board may authorize temporary transfer of money from a ~~reserve fund~~ Reserve Account to the Association's general operating fund to meet the Association's short-term cash-flow requirements or other expenses, ~~provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed, and describing when and how the money will be repaid to the reserve fund.~~ if the Board has provided notice¹⁰⁴ of the intended transfer in a notice of in a Board meeting open to the Members¹⁰⁵, explaining why the transfer of funds from the Reserve Account(s) is necessary, options for repayment, and whether a Special Assessment may be considered. If the Board authorizes the transfer, the Board shall record in the meeting minutes the explanation why the transfer is necessary along with a description regarding when and how the monies will be repaid to the Reserve Account(s).

The transferred funds shall be restored to the ~~reserve fund~~ Reserve Account(s) within one year of the ~~date of the~~ initial transfer, except that the Board may; extend the time after giving the same notice required for considering a transfer, and upon making a finding supported by documentation that a temporary delay would be in the best interests of the ~~Properties,~~ Development and the Lot Owners to temporarily delay the restoration. The Board shall exercise prudent fiscal management in delaying restoration of ~~these funds~~ the withdrawn Reserve Funds and in restoring the expended funds withdrawn from the Association's Reserve Account(s) to the ~~reserve account~~ Reserve Account, and shall, if necessary, levy a Special Assessment¹⁰⁶ to recover the full amount of the expended funds within the time limits required by this subparagraph ~~(e). This Special Assessment is subject to the Member approval requirements of~~

¹⁰¹ See Civil Code § 5560(b).

¹⁰² See Civil Code § 5605(b); Declaration Sections 4.02(b) and 4.03(b).

¹⁰³ See Civil Code § 5570(a).

¹⁰⁴ See Civil Code § 4920.

¹⁰⁵ See Civil Code § 5515.

¹⁰⁶ Subject to Civil Code § 5605(b).

~~California Civil Code section 1366 and Section 3(b), above) if the aggregate amount of the Special Assessment exceeds five percent (5%) of the budgeted gross expenses of the Association for the year in which the Special Assessment is imposed(d). The Board may, at its discretion, extend the date the payment on deadline for paying the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment.~~

When the ~~decision is made to use reserve funds or to~~ Board uses Reserve Funds or temporarily ~~transfer~~transfers money from the ~~reserve fund~~Association's Reserve Accounts to pay for litigation, the Association shall ~~notify~~provide General Notice to the Members of ~~that decision in the next available mailing to all Members pursuant to California Corporations Code section SO 16, and the Board's decision and~~ of the availability of an accounting of those expenses. ~~The Association shall make an accounting of expenses related to the litigation- (on at least a quarterly basis. The accounting shall be made available for inspection by Members at the Association principal office.) in the next mailing to all Members.~~¹⁰⁷

(e) ~~(d)~~Limitations on Association's Authority to Assign or Pledge Assessment Obligations. The Association may not voluntarily assign or pledge its right to collect payments or Assessments, or to enforce or foreclosure a lien to a third party, ~~except when~~unless the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association. ~~However, the restrictions imposed by this subparagraph (d) shall not restrict the right or ability of~~¹⁰⁸ Nonetheless, the Association ~~to~~may assign any unpaid obligations ~~to~~of a former Member to a third party for ~~purposes of~~collection.¹⁰⁹

~~For purposes of accounting, but without requiring any physical segregation of assets, the Association shall keep a separate account of all funds received by it in payment of each Assessment and of all disbursements made therefrom; provided, however, that receipts and disbursements of Special Assessments made pursuant to section 3(a)(i) of this Article shall be accounted for together with receipts and disbursements of Regular Assessments, and separate liability accounts shall be maintained for each capital Improvement for which reserve funds for replacement are allocated.~~

~~Unless the Association is exempt from federal or state taxes, all sums allocated to capital replacement funds shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board of Directors that will prevent such funds from being taxed as income of the Association.~~

~~Section 4.10. Section 10.~~—Collection of Assessments; Enforcement of Liens.
~~The~~Installments of Regular Assessments shall be delinquent if not paid within fifteen (15) days of the due date as established by the Board.¹¹⁰ Special Assessments, Special Individual

¹⁰⁷ See Corporations Code § 5016.

¹⁰⁸ See Civil Code § 5735(a).

¹⁰⁹ See Civil Code § 5735.

¹¹⁰ See Civil Code § 5650(b).

Assessments and Emergency Assessments shall be delinquent if not paid within the times prescribed in Sections 4.03(c), 4.04(b) and 4.05(b), respectively. When an Assessment becomes delinquent, the amount thereof may, at the Board's election, bear interest at the maximum rate allowed by law commencing thirty (30) days after the due date until the same is paid. In addition to the accrual of interest, the Board of Directors may promulgate a schedule of reasonable late charges for any delinquent Assessments.¹¹¹ Once an Assessment becomes delinquent, the Association may elect to ~~pursue~~apply one or both of the ~~following remedies in the event of a delinquent assessment~~remedies set forth in subparagraphs (a) or (b), below:

(a) Enforcement of An Owner's Personal Obligation to Pay Assessments. The Association may bring a legal action directly against the Owner for breach of the Owner's personal obligation to pay the ~~assessment~~Assessment and in such action ~~shall be entitled to the Association may~~ recover the delinquent ~~assessment or assessments, accompanying~~Assessment or Assessments, late charges, interest, costs and reasonable attorneys' fees.¹¹² Commencement of a legal action shall not constitute a waiver of any lien rights as described in subparagraph (b), below.

(b) Imposition and Enforcement of Assessment Lien and Limitations Thereon. Except as otherwise provided in ~~Section 4, above, with respect to the limitation on the imposition of liens for Special Individual Assessments~~subparagraph (b)(x), below, the Association may impose a lien against the Owner's Lot for the ~~amount of the delinquent assessment or assessments, plus any delinquent~~ Assessment or Assessments, plus any reasonable costs of collection (including reasonable attorney's fees), late charges and interest by taking these steps¹¹³:

~~reasonable costs of collection (including reasonable attorneys fees), late charges and interest by taking the following steps:~~

(i) Issuance of Pre-Lien Notice; Contents. At least thirty (30) days ~~prior to before~~ recording a lien upon the Owner's Lot to collect a delinquent ~~assessment~~Assessment, the Association shall notify the Owner in writing by certified mail of the following (the "~~Delinquency~~PRE-LIEN NOTICE")¹¹⁴:

(A) A general description of the Association's collection and lien enforcement procedures ~~of the Association~~ and the method of calculation of the amount, a statement that the Owner of the Lot ~~has the right to may~~ inspect the Association records, ~~pursuant to Section 8333 of the Corporations Code, under Civil Code section 5205,~~ and the following statement in 14-point boldface type, if printed, or in capital letters, ~~if typed: "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."~~if typed:

"IMPORTANT NOTICE: IF YOUR LOT IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."

¹¹¹ Subject to Civil Code § 5650(b).

¹¹² See Civil Code § 5700.

¹¹³ See Civil Code §§ 5675; 5705 – 5720.

¹¹⁴ See Civil Code § 5660.

(B) An itemized statement of the charges owed by the Owner, including items on the statement which indicate the amount of any delinquent ~~assessments~~ Assessments, the fees and reasonable costs of collection, reasonable attorneys' fees, any late charges, and interest, if any.

(C) A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection, ~~previously levied by the Association~~ if it is subsequently determined that the assessment Assessment was paid on time ~~to the Association~~.

(D) The right of the notified Owner to request a meeting with the Board as provided in subparagraph ~~(iviii)~~, below.

(E) The right to dispute the Assessment debt by submitting a written request for dispute resolution to the Association under the Association's "meet and confer" program under Civil Code section 5900, et seq.

(F) The right of the noticed Member to request alternative dispute resolution with a neutral third party under Civil Code section 5925 et seq. before the Association may initiate foreclosure against the Owner's Lot, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure, rather than a non-judicial foreclosure.

(ii) Application of Payments. Any payments ~~made by the Lot~~ delinquent Owner makes toward the delinquent ~~assessment~~ Assessments in arrears shall first be applied to the ~~assessments~~ Assessments owed when the payment is made; and only after the ~~assessments~~ Assessments owed are paid in full shall ~~the~~ payments be applied to the fees and the costs of collection, attorneys' fees, late charges or interest.¹¹⁵ When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it. The receipt shall indicate the date of payment and the ~~Person~~ person who received ~~it~~ the payment on behalf of the Association. The Association shall provide its Members with a mailing address for overnight payment of Assessments.

~~(iii) An Owner may dispute the amounts claimed as due and owing in the Delinquency Notice by submitting to the Board a written explanation of the reasons for his or her dispute. If the Owner wishes to submit an explanation, it must be mailed to the Association within fifteen (15) days of the postmark of the Delinquency Notice. The Board shall respond in writing to the Owner within fifteen (15) days of the date of the postmark of the Owner's explanation.~~ Pre-Lien Offer to Meet and Confer with the Owner. Before recording a lien for delinquent Assessments against an Owner's Lot, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution under the Association's meet and confer program.¹¹⁶ The Owner possesses the choice to pursue dispute resolution or alternative dispute resolution, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

¹¹⁵ See Civil Code § 5655(a).

¹¹⁶ See Civil Code §§ 5900 - 5915 or Civil Code §§ 5925 - 5945 (establishing the requirement).

(iv) Rights of Owners to Propose Payment Plans. An Owner may also (within fifteen (15) days of the postmark of the Pre-Lien Notice) submit a written request to meet with the Board to discuss a payment plan for the delinquent ~~assessment. This request must also be made within fifteen (25) days of the postmark of the Delinquency Notice.~~Assessment.¹¹⁷ The Association shall provide the Owners with ~~the~~any adopted standards for payment plans,~~if such standards have been adopted. So long as a.~~ Upon proper and timely request ~~for a meeting has been tendered,~~ the Board shall meet with the Owner in executive session within forty-five (45) days of the postmark of the ~~request for a meeting request,~~ unless there is no regularly-scheduled Board meeting within that period, in which case the Board may designate a committee of one or more Members to meet with the Owner. Payment plans may incorporate any Assessments that accrue during the payment plan period. Payment plans shall not impede an Association's ability to record a lien on the Owner's Lot to secure payment of delinquent Assessments. Additional late fees shall not accrue during the payment plan period if the Owner complies with the payment plan. If a default on any payment plan occurs, the Association may resume its efforts to collect the delinquent Assessments from the time prior to entering into the payment plan.

(v) Association Assessment Lien Rights. Except as provided in subparagraph (ix), below, the delinquent Assessment amount, plus any costs of collection, late charges, and interest assessed shall be a lien on the Owner's Lot from and after the time the Association causes to be recorded in the Office of the County Recorder a NOTICE OF DELINQUENT ASSESSMENT. The Notice of Delinquent Assessment shall state the amount of the Assessment and other sums imposed, a legal description of the Owner's Lot against which the Assessment and other sums are levied, and the name of the record owner of the Owner's Lot. The itemized statement of the charges shall be recorded together with the Notice of Delinquent Assessment.

Only the Board of Directors may record a lien for delinquent Assessments.¹¹⁸ The Board shall approve the decision by a majority vote of the Board in an open meeting and the vote shall be recorded in the minutes of the meeting. If the Association fails to abide by the Pre-Lien Notice and other procedures set forth above, the Association must recommence the required notice process, with any resulting additional costs being borne solely by the Association.

~~(v) The amount of the Assessment, plus any costs of collection, late charges, and interest assessed in accordance with Civil Code section 1366 shall be a lien on the Owner's Lot from and after the time the Association causes to be recorded with the County Recorder a Notice of Delinquent Assessment, which shall state the amount of the Assessment and other sums imposed in accordance with Civil Code Section 1366, a legal description of the Owner's Lot against which the Assessment and other sums are levied, the name of the record owner of the Owner's Lot against which the lien is imposed. In order for the~~For the Association's lien to be imposed by non-judicial foreclosure as provided in subparagraph ~~(viii)~~(vii), below, the Notice of Delinquent Assessment shall state the name and address of the trustee authorized by the Association to enforce the lien by sale. The Notice of Delinquent Assessment shall be signed by any officer of the Association or by the person designated by the Association ~~for that purpose and mailed in the manner set forth in Civil Code Section 2924b to all record owners of the Owner's Lot~~for that purpose or if no one is designated, by the president of the Association. A copy of the recorded Notice of Delinquent Assessment shall be mailed by certified mail to every

¹¹⁷ See Civil Code § 5665.

¹¹⁸ See Civil Code § 5673.

person whose name is shown as an Owner of the Lot in the Association's records, and the notice shall be mailed no later than ten (10) calendar days after recordation. ~~Within twenty-one (21) days of the payment of the sums specified in the Notice of Delinquent Assessment, the Association shall record or cause to be recorded in the Office of the County Recorder a lien release or notice of rescission and provide the Lot Owner a copy of the lien release or notice that the delinquent assessment has been satisfied.~~its Recordation.

~~(vi) Only those Special Individual Assessments imposed by the Association as a means of reimbursing the Association for costs incurred in the repair of damage to Common Areas and Common Facilities for which the Member or the Member's guests or tenants were responsible may become a lien against the Member's Lot that is enforceable by sale of the Lot in non-judicial foreclosure pursuant to Civil Code sections 2924, 2924b and 2924c. Other Special individual Assessments shall be subject to collection in an action at law.~~

(vi) ~~(vii)~~ Priority of Assessment Liens. Except as described in Section 4.12, below, an Assessment lien created pursuant to under subparagraph (v), above, or subparagraph (x), below, shall be prior to all other liens recorded against the Owner's Lot subsequent to after the Notice of Delinquent Assessment, ~~except as described in Section 12, below.~~¹¹⁹

(vii) ~~(viii)~~ Enforcement of Assessment Liens. Subject to ~~the~~any limitations of this Section ~~104.10~~(b), after the expiration of thirty (30) days following ~~the~~recording of a Notice of Delinquent Assessment, the Association's lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the ~~notice of delinquent assessment~~Notice of Delinquent Assessment, or sale by a trustee substituted ~~pursuant to Civil Code section 2934a. Any sale by the trustee shall be conducted in accordance with Civil Code sections 2924, 2924b and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trusts. The fees of a trustee may not exceed the amounts prescribed in Civil Code sections 2924c and 2924d.~~¹²⁰ Before initiating foreclosure against an Owner's Lot, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution under the Association's meet and confer program.¹²¹ The Owner possesses the choice to pursue internal dispute resolution or alternative dispute resolution, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure. Only the Board of Directors may initiate foreclosure, which decision shall require the affirmative vote of a majority of the directors conducted in executive session. That vote shall be recorded in the minutes of the next open meeting of the Board; however, to protect the confidentiality of the Owner or Owners whose Lot(s) is/are being foreclosed, the minutes shall only identify the action by reference to the parcel number of the Lot, rather than identifying the Owner(s) by name. The Board must conduct the vote at least thirty (30) days before any public sale.¹²²

The Board shall provide notice of its decision by personal service¹²³ to the Lot Owner who occupies the Lot or to the Owner's legal representative. If the Owner does not occupy the

¹¹⁹ See Civil Code § 5680.

¹²⁰ See Civil Code § 2934(a).

¹²¹ See Civil Code §§ 5900 - 5915 or Civil Code §§ 5925 - 5945 (establishing the requirement).

¹²² See Civil Code § 5705(b).

¹²³ See Code of Civil Procedure §§ 415.10 et seq.

Residence, the Board shall provide the Owner written notice by first-class mail, postage prepaid, at the Owner's most current address reflected in the Association's records. If the Owner has failed to notify the Association, the Owner's Residence address may be treated as the Owner's mailing address.¹²⁴

Any trustee's sale shall be conducted under procedures applicable to exercising powers of sale in mortgages and deeds of trusts.¹²⁵ Trustee fees may not exceed statutory amounts.¹²⁶ In addition to these statutory requirements, The Association shall serve¹²⁷ on the Owner's legal representative a notice of default. As used herein, the Owner's legal representative shall be the person whose name is shown as the Owner of the liened Lot on the records of the Association unless another person has been previously designated by the Owner as their legal representative in writing and mailed to the Association in a manner that indicates that the Association has received the designation.

(viii) Minimum Thresholds For Use Exercise of Foreclosure Remedies. Debts for Assessments may not be collected through judicial or non-judicial foreclosure remedies until the delinquent Assessment amount, exclusive of any accelerated Assessments, late charges, fees, costs of collection, attorney's fees, and interest, equals or exceeds \$1,800.00, or the Assessments are over twelve (12) months delinquent.¹²⁸ Delinquent Assessments in a smaller amount may not be collected through foreclosure remedies, but may be collected through using the following other means: (1) a civil action in small claims court; (2) by recording a lien on the Owner's Lot (subject to the restrictions on foreclosure of that lien); or (3) any other manner provided by law, other than judicial or non-judicial foreclosure.

(ix) Foreclosed Owner's Rights of Redemption. A non-judicial foreclosure shall be subject to a right of redemption. The redemption period ends ninety (90) days after the sale. In addition to the requirements of Civil Code section 2924f, a notice of sale in connection with the Association's foreclosure of a Lot in the Development shall include a statement that the property is being sold subject to the right of redemption.¹²⁹

(x) Limitation on Authority to Use Lien and Foreclosure Remedies to Collect Special Individual Assessments. These categories of Special Individual Assessments may be collected through lien and foreclosure remedies under subparagraphs (v) through (viii), above¹³⁰: (A) Special Individual Assessments or other monetary charges imposed by the Association to reimburse the Association for costs in the repair of damage to Common Areas and Common Facilities for which the Member or the Member's guests or tenants were responsible; and (B) Special Individual Assessments imposed to recover late charges, reasonable costs of collection and interest.

(xi) Obligation to Record Lien Releases.

¹²⁴ See Civil Code § 5705(d).

¹²⁵ See Civil Code §§ 2924, 2924(b) and 2924(c).

¹²⁶ See Civil Code §§ 2924(c),(d).

¹²⁷ See Code of Civil Procedure §§ 415.10 et seq.

¹²⁸ See Civil Code § 5720.

¹²⁹ See Civil Code § 5715(b).

¹³⁰ See Civil Code § 5725.

(A) ~~(ix) Lien Recorded in Error.~~ If ~~it is determined that~~ a lien-~~previously recorded against a Lot~~ was recorded in error, the party who recorded the lien, within twenty-one (21) calendar days, shall record or cause to be recorded in the Office of the County Recorder a lien release or notice of rescission and provide the Lot Owner with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of ~~rescission~~ rescission.¹³¹ ~~If the determination that the lien was recorded in error results from statutory dispute resolution meet and confer proceedings or statutory alternative dispute resolution proceedings, the Association shall also be obligated to promptly reverse all late charges, fees, interest, attorney's fees, costs of collection, costs imposed for issuing the statutory notices and costs¹³² of recording the lien release, and all costs¹³³ incurred in the internal dispute resolution or alternative dispute resolution process.~~

(B) Payment in Full. Within twenty-one (21) days of the payment of the total delinquent Assessment(s) amount and other sums specified in the Notice of Delinquent Assessment, the Association shall record or cause to be recorded in the Office of the County Recorder a lien release or notice of rescission and provide the Lot Owner with a copy of the lien release or notice that the delinquent Assessment has been satisfied.¹³⁴

(xii) ~~(x) Effect of Failure to Adhere to Statutory Lien and Foreclosure Procedures.~~ If the Association ~~fails to comply with the procedures set forth in this Section 10(b) prior to~~ violates the notice and other pre-lien procedures¹³⁵ before recording a lien, the Association shall recommence the required notice process ~~before recording a lien.~~ Any costs associated with recommencing the notice process shall be borne by the Association and not by the Lot Owner.¹³⁶

~~The provisions of this Section 10(b) are intended to comply with the requirements of Civil Code Section 1367.1 in effect as of January 1, 2003. If these sections are amended or modified in any manner, the provisions of this Section 10(b) automatically shall be amended or rescinded in the same manner. Civil Code Section 1367.1 may have been amended by the State Legislature, and the Board should confirm the current statutory requirements.~~

Section 4.11. Transfer of Lot by Sale or Foreclosure. These rules shall govern the Association's right to enforce its Assessment collection remedies following the sale or foreclosure of a Lot:

(a) ~~Section 11. — Transfer of Lot by Sale or Foreclosure.~~ Except as ~~otherwise~~ provided ~~herein in subparagraph (b), below,~~ the sale or transfer of any Lot shall ~~not~~ affect ~~any~~no Assessment lien which has been duly Recorded ~~with respect to such Lot prior to~~ against the Lot before the sale or transfer. ~~However, the sale or transfer of any lot pursuant to the foreclosure of any first Mortgage or other mortgage or lien recorded prior to the Association's Assessment~~

¹³¹ See Civil Code § 5685(b).

¹³² See Civil Code § 5720(b).

¹³³ See Civil Code § 5685(c).

¹³⁴ See Civil Code § 5685(a).

¹³⁵ See Civil Code §§ 5650-5685.

¹³⁶ See Civil Code § 5690.

~~lien (collectively,~~ and the Association can continue to foreclose its lien despite the change in ownership.

(b) The Association's Assessment lien shall be extinguished as to all delinquent sums, late charges, interest and costs of collection incurred before the sale or transfer of a Lot under a foreclosure or exercise of a power of sale by the holder of a prior encumbrance (but not under a deed-in-lieu of foreclosure). A "prior encumbrance" means any first Mortgage or other Mortgage or lien Recorded against the Lot prior to Recordation of the Association's Assessment lien.

~~(c) If prior encumbrance") shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No sale or transfer of a Lot as a result of resulting from foreclosure, exercise of a power of sale, or otherwise, shall relieve the new Owner of such Lot, (whether it be the former beneficiary of the first Mortgage or other prior encumbrance or a third party acquiring an interest in the Lot,) from liability for any Assessments which thereafter becoming become due with respect to the Lot or from the lien thereof.~~

(d) Any Assessments, late charges, interest and associated costs of collection lost because of a sale or transfer of a Lot covered by subparagraph (b), above, shall be deemed to be a Common Expense collectible from the Owners of the Lots, including the person who acquires the Lot and their successors and assigns.

~~(e) Where the first Mortgagee or other purchaser of a Lot obtains title to the same as a result of foreclosure of any such first Mortgage or other prior encumbrance or exercise of a power of sale contained therein, the person acquiring title, his or her successors and assigns, shall not be solely liable for the Assessments chargeable to such Lot which became due prior to the acquisition of title. Instead, such unpaid Assessments shall be deemed to be a Common Expense collectible from the Owners of all of the Lots, including such acquirer, his or her successors and assigns. Furthermore, foreclosure shall not~~ No sale or transfer of a Lot resulting from foreclosure, exercise of a power of sale, or otherwise, shall affect the Association's right to maintain an action for the collection of delinquent Assessments against the foreclosed party personally against the foreclosed previous Owner personally to collect the delinquent Assessments, late charges, interest and associated costs of collection incurred before and/or in connection with the sale or transfer.

~~Section 4.12. Section 12.~~ Priorities. When a Notice of Delinquent Assessment has been Recorded, such notice shall constitute a lien on the Lot that is prior and superior to all other liens ~~or encumbrances Recorded subsequent thereto, except~~ recorded after the Notice of Delinquent Assessment except¹³⁷: (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto (under current law association assessment liens are subordinate to other liens and encumbrances recorded before recordation of the Association's Notice of Delinquent Assessment); and (b) the lien or charge of any first Mortgage ~~or~~ of record (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value; provided, however, that such subordination shall apply only to the Assessments which have become due ~~and payable prior to~~ before the transfer of such property ~~pursuant to~~ under the

¹³⁷ See Civil Code § 5680.

exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage or other prior ~~encumbrances~~encumbrance.

Section 4.13. ~~Section 13.~~—Unallocated Taxes. ~~—In the event that~~If any taxes are assessed against the Common Area, or the Association's personal property ~~of the Association,~~ rather than being assessed to the Lots, such taxes shall be included in the Regular Assessments ~~imposed pursuant to section 2 of this Article~~ and, if necessary, a Special Assessment may be levied against the Lots in an amount equal to such taxes to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

Section 4.14. ~~Section 14.~~—Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed.

ARTICLE V
Minimum Construction Standards

~~Section 1. Review by Architectural Control Committee. No building or structure shall be erected, placed or altered in external design or color on any Lot until construction plans and specifications, the exterior color scheme, and a plan showing the location of the structure on the Lot have been approved by the Architectural Control Committee as to conformity and harmony of external design and appearance with surrounding development, and as to location of the building and finished ground elevation.~~

ARTICLE V
ARCHITECTURAL CONTROL

Section 5.01. Approval of Improvements. Except as otherwise permitted in this Declaration, no Owner shall commence, install, erect, paint, repaint, remodel, or maintain an Improvement upon any Lot or Residence, nor shall any alteration of any Improvement of any kind be made, unless the Owner-applicant submits a written request and the Association's "ARCHITECTURAL COMMITTEE" has been approved the same in writing. The Owner's request shall include: (i) County approvals necessary for the Improvement, if any; and (ii) structural plans, specifications and plot plans satisfying the minimum requirements under the Association's Architectural Rules and representing location of the structure and any existing trees. Once approved, any material change to the approved plans and specifications requires the Owner to submit a separate written request, and the Architectural Committee to approve the additional request, before the Owner may commence work on the material change. If the Owner is submitting an Improvement application for accommodating a disability, the Board shall review and approve the application if the request is statutorily compliant.¹³⁸

Section 5.02. Composition of Architectural Committee.

(a) Number. The Architectural Committee shall consist of three (3) Members who are not concurrently serving on the Board of Directors. The Board shall appoint the Chairperson, and the Chairperson shall recommend the other two Committee Members for Board approval; provided, however, the right to appoint and remove all Architectural Committee members is vested solely with the Board. The Board shall evidence any appointment or removal in the meeting minutes. At least one of the Committee Members shall be involved with maintenance of the roads.

(b) Term of Office. All Architectural Committee members shall serve for a one year term commencing on their appointment date and continuing until their respective successors are appointed, or until their death, resignation or removal whichever is earlier; provided, that if any Member ceases to be an Owner, their membership on the Committee shall immediately terminate. Any new member appointed to replace an existing member shall serve the remainder of such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.

¹³⁸ See Civil Code § 4760.

(c) Resignations and Vacancies. Any Architectural Committee Member may at any time resign from the Committee upon written notice delivered to the Board. Vacancies on the Architectural Committee, however caused, shall be filled by the Board.

(d) Compensation; Reimbursement. Neither the Architectural Committee members nor their designated representatives are entitled to any compensation for services they perform. Architectural Committee members are entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in performing any Architectural Committee functions, evidenced by receipt or invoice.

Section 5.03. Architectural Committee Duties and Meetings. The Architectural Committee's duties are to consider and act upon Owner applications, proposals, requests and plans for Improvements, to propose amendments to the Architectural Rules for Board consideration, and perform other duties the Board may delegate to the Committee or required under the Declaration. The Architectural Committee shall meet from time to time as necessary to perform its duties. The vote of a majority of the Architectural Committee members constitutes a Committee action, and the Committee shall retain records of all actions. An Owner-applicant (and their contractors) may attend a Committee meeting if the Owner's application is on the agenda for consideration.

Section 5.04. Architectural Rules. The Board of Directors may, from time to time adopt, amend and repeal "ARCHITECTURAL RULES".¹³⁹ The Architectural Rules shall set forth (consistent with the Governing Documents): (a) any standards and procedures regarding the Committee's review and approval of proposed Improvements; (b) guidelines for color schemes, exterior finishes and materials, and similar features recommended or required for use in connection with specified Improvements; (c) procedures for expedited approval or waiver of plan and specification requirements for minor or commonly recurring Improvements; and (d) the criteria and procedures for requesting variances from any Article VI or Article VIII restrictions. No Architectural Rule shall be in derogation of the minimum standards required by this Declaration. If any conflict arises between the Architectural Rules and this Declaration, this Declaration shall prevail.

Section 5.05. Basis for Approval of Improvements. When the Architectural Committee is reviewing the Owner's application, the Architectural Committee shall approve the application only if the Architectural Committee, in its sole discretion, exercised in good faith, makes these findings regarding the proposed Improvement:

- (a) The Owner's plans and specifications conform to this Declaration and to the Architectural Rules in effect;
- (b) The Improvement, as a result of design, construction materials, location or anticipated use, will not interfere with the reasonable enjoyment of any other Owner the Owner's Lot; and

¹³⁹ See Civil Code § 4765(a)(1) (the Architectural Rules and Declaration Article V are intended to provide fair, reasonable and expeditious procedures regarding Improvements.)

- (c) The Improvement(s) will otherwise follow the architectural and aesthetic standards prevailing within the Development and with the overall plan and scheme of development within the Development.

The Association shall provide Members annually with notice of requirements for approval of Improvements under this Article V.¹⁴⁰ The Committee shall act reasonably and in good faith, and shall consider such factors as the quality of workmanship and materials proposed for the Improvement, the harmony of its exterior design and color with that of other existing structures, and its proposed location relating to existing topography, finished grade elevations, roads, Common Areas, Common Facilities, and other structures. The Committee may also determine that a proposed Improvement or component thereof is unacceptable even if the same or a similar Improvement has previously been approved for use at another location, if factors such as drainage, noise or prior adverse experience with the product or design provide a reasonable basis for denying the application. The Committee's decision shall be made in good faith and may not be unreasonable, arbitrary or capricious,¹⁴¹ nor violate any governing provision of law (including, without limitation, the California Fair Employment and Housing Act) or a building code or other applicable law governing land use or public safety.¹⁴²

Section 5.06. Time Limits for Approval or Rejection.

(a) Approval or Disapproval by the Architectural Committee. The Architectural Committee shall, within thirty (30) days of receiving the application, return one set of such plans to the Owner with written notice of either its approval or disapproval.¹⁴³ If disapproved, the Architectural Committee's written decision shall include an explanation of why the proposed Improvement was disapproved and a description of the procedure for seeking the Board's reconsideration.¹⁴⁴ If the Committee provides suggestions to comply, the Owner-applicant may implement such changes to the plans and within thirty (30) days resubmit the plans to the Committee for reconsideration, which shall not unreasonably withhold its approval if the Owner has complied materially with the requested changes.

(b) Right to Seek Board Reconsideration. The Owner-applicant may seek reconsideration of the Committee's disapproved decision by the Board of Directors if the Owner is unwilling to comply with the Committee's conditions of approval issued under sub-paragraph(a), above. The Board's hearing of the applicant's appeal shall be conducted in open session,¹⁴⁵ and must provide a fair, reasonable and expeditious procedure for making its decision.¹⁴⁶ The Board has the power to amend or reverse the Architectural Committee's decisions. The Board's decision will be published in the Board's Special Meeting minutes. The Board's reconsideration does not constitute a process of dispute resolution.

¹⁴⁰ See Civil Code § 4765(c).

¹⁴¹ See Civil Code § 4765(a)(2).

¹⁴² See Civil Code § 4765(a)(3).

¹⁴³ If the Committee fails to provide the Owner written notice of approval or disapproval within thirty (30) days after the Owner's submittal, the plans shall be deemed to have been approved as submitted.

¹⁴⁴ See Civil Code § 4765(a)(4) (a reference to Declaration Section 5.06(b) shall suffice).

¹⁴⁵ See Civil Code §§ 4765(a)(5); 4925.

¹⁴⁶ See Civil Code § 4765(a)(1).

Section 5.07. Commencing Work After the Application is Accepted. The Owner shall satisfy all conditions under the Committee's approval of the Improvement and diligently commence construction on the Improvement within six (6) months of the approval date. Once commenced, the Owner shall diligently pursue constructing the Improvement, and complete the Improvement no later than twelve (12) months from the commencement date; or (ii) the date specified in the Committee's notice of approval, whichever is later. If the Owner violates this Section, any Committee approval regarding the approved Improvement is deemed revoked unless the Architectural Committee, upon written request of the Owner made before the expiration of the initial six-month period, extends the time for commencement or completion. If the Owner fails to complete the Improvement within the specified deadline or extended deadline, the Committee shall notify the Board and the Board may proceed to enforcement.¹⁴⁷

Section 5.08. Inspections. Inspecting work relating to any approved Improvements shall proceed as follows:

(a) During Construction. The Architectural Committee or its representatives are prohibited from involving themselves in the structural inspection of the construction, being understood the County's Building Department is responsible for performing structural inspection during construction. Notwithstanding the foregoing, the Committee may visually inspect the construction to confirm work on the Improvement is proceeding consistent with the Committee's approved plans and specifications.

(b) On Completion. The Owner shall provide the Architectural Committee a written notice of completion when the Improvement is complete. Within thirty (30) days of receiving the notice, the Architectural Committee (or representative) may inspect the Improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with the approved plans. If the Architectural Committee discovers the Improvement was not erected, constructed or installed in substantial compliance with the Owner's approved plans, then the Architectural Committee shall notify the Owner in writing of the noncompliance detailing required modifications or corrections. If the Owner does not correct the violation or nonconforming, the Board and the Architectural Committee may proceed to enforcement.¹⁴⁸

Section 5.09. Enforcement.

(a) ~~Procedure: — Requests for approval shall be submitted on forms as supplied by the Committee along with one complete set of plans. The Committee will have thirty (30) days from receipt of plans to approve or disapprove the plans. Approvals and disapprovals shall be in writing back to the submitter with a copy of the approval or disapproval recorded with the Association. — If the Committee fails to provide an approval or disapproval within the thirty (30)-day period then approval is deemed to have been obtained as required by this Article.~~ Stop Work Orders. Cumulative with other remedies under the Governing Documents, the Architectural Committee may order abatement ("RED TAG") of any unapproved Improvement or approved Improvement not in compliance with the Committee's approved plans. If the Committee issues a Red Tag, the Owner and their contractor shall cease all construction activity until the issue giving

¹⁴⁷ See Declaration Section 5.10.

¹⁴⁸ See Declaration Section 5.10.

rise to the Red Tag is resolved. The Committee's Red Tag notice shall contain the basis for issuing the Red Tag.

(b) ~~The Architectural Control Committee:—The Board of Directors will appoint Members to the Architectural Control Committee from the Membership of the Association. At least one of the Committee members shall be an Association Member who is involved with the maintenance of the roads.~~No Waiver. No unapproved or approved Improvement is deemed approved simply because the Improvement has been completed without a complaint, notice of violation, or commencement of a suit to enjoin such work.

~~Section 2. —Improvements. —Improvements constructed on any Lot shall conform to the following minimum construction standards:~~

(c) Effect of Failure to Remedy Noncompliance. If the Owner fails to remedy any noticed noncompliance within thirty (30) days from receiving the notice, or if the Owner feels the Committee issued a Red Tag without justification, the Architectural Committee shall notify the Board in writing of such failure. The Board shall then set a hearing date regarding the alleged noncompliance.¹⁴⁹

(d) Attorneys' Fees and Costs. If any legal proceeding is initiated under this Section 5.10, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

Section 5.10. Variance Procedures. The Architectural Committee, in its sole discretion, may allow reasonable variances from Articles V, VI, and VIII to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships, provided the following conditions are met:

(a) ~~Single Family Residential Use of Lots. Nothing but one single, private dwelling, or residence, together with garage or carport, and one guest house without kitchen facilities for the use solely of the Owner or occupant of the single family dwelling, and outbuildings subject to approval by the~~If the requested variance will necessitate deviation from, or modification of, a minimum construction standard or a property use restriction that would otherwise apply under this Declaration, the Committee must conduct a hearing on the proposed variance and the Committee shall have the discretion to require that the hearing be open to other neighboring residents who may believe that the requested variance will have a negative impact on the enjoyment of their Lot or Residence. The Committee, in its discretion and reasonable judgment, may solicit comments from neighbors if the Improvement may have adverse impact on those neighbors.

~~Board of Directors:~~

(b) The Committee must make a good faith written determination that the variance meets one or more of these criteria: (i) the variance will not constitute a material deviation from any restriction contained herein or that the variance proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance relates to a required land use restriction or minimum construction standard otherwise applicable that is

¹⁴⁹ See Declaration Section 12.06.

unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance regarding any other Lot, Residence or Common Area.

(c) The variance, if approved, follows all County standards relating to the Improvement.

Section 5.11. Limitation on Liability. Neither the Board of Directors, the Architectural Committee, nor any member thereof shall be liable to any Owner for any damage, loss or prejudice suffered or claimed because of any mistakes in judgment, negligence or nonfeasance arising out of: (a) the approval or disapproval of any Improvement plans, drawings and specifications, whether or not defective; (b) the construction or performance of any Improvement, whether or not under approved plans, drawings specifications; or (c) the development of any Residence within the Development; or (d) granting a variance, so long as such member has acted in good faith based on information they possessed.

Section 5.12. Compliance With Governmental Regulations. The Board's/Committee's review and approval of any proposals, plans or other submittals pertaining to Improvement shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Owner who desires to construct, install, or modify the Improvement.

ARTICLE VI **MINIMUM IMPROVEMENT STANDARDS**

The following minimum improvement standards apply to Improvements constructed on any Lot:

Section 6.01. ~~(b)~~ Minimum Square Footage of ~~Residence~~Residences. No dwelling, other than an ADU, having a floor area of less than twelve hundred ~~(1200)~~1,200 square feet, exclusive of porches, patios, terraces and garages, shall be erected or maintained on any residential Lot.

Section 6.02. ~~(e)~~ Quality of Construction. All buildings and other structures erected on any Lot within ~~said subdivision~~the Development shall be built in a good workmanlike manner and shall be maintained in good condition.

~~(d) Completion of Construction. When the construction of any structure is commenced upon any of said Lots, the Owner thereof shall proceed, with all reasonable diligence, with the completion thereof and shall complete the construction thereof within twelve (12) months from the date of commencement. Extensions may be considered by the Board of Directors.~~

Section 6.03. ~~(e)~~ Set-Back Requirements. No part or portion of any building of any kind shall be constructed or maintained upon any ~~residence~~residential Lot closer than fifty (50) feet

from any front or street line, or twenty-five (25) feet from any side line and fifty (50) feet from any back line.

ARTICLE VI

Section 6.04. Antennas, Aerials and Satellite Dishes. Outside television antenna, aerial, satellite dish or similar device for transmitting or receiving television, radio, satellite, or other signals are prohibited, except for the following:¹⁵⁰

(a) The Association may, without obligation, erect, place or install and maintain any such apparatus to benefit the Development.

(b) Antennas or satellite dishes one meter or less in diameter or diagonal measurement designed to receive video programming services via multi-point distribution services, including multi-channel multipoint distribution services, instructional television fixed services and local multipoint distribution services (collectively "PERMITTED DEVICE[S]"). Notwithstanding, the Permitted Device[s]: must be placed on the Residence or Lot in an inconspicuous manner where acceptable quality signal is achieved and is not visible from neighboring Lots or is screened from the view from the Common Area. The Architectural Committee may impose reasonable Architectural Rules that do not significantly increase the cost of installing a Permitted Device or significantly decrease its efficiency or performance, such as the Permitted Device[s]' material, location or painting.

ARTICLE VII

ASSOCIATION AND OWNER MAINTENANCE RESPONSIBILITIES

Section 7.01. Association ~~and Owner~~ Maintenance Responsibilities~~Section 1. ——— Roads.~~ The Association shall be responsible for ~~all maintenance, repair, upkeep and replacement of~~ maintaining, repairing, upkeep, and replacing all Common Areas and Common Facilities, including all portions of the roads ~~and related Common Facilities~~. No Person ~~person~~ other than the Association or its duly authorized agents ~~shall~~ shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the roads and related Common Facilities, except that each Owner shall be responsible for ~~the maintenance and repair of his or her~~ maintaining and repairing ~~their~~ road easement ~~set-back~~ setback areas, driveway culverts, and driveway approaches. A driveway approach is considered to be that area between the Association's ~~chip seal~~ chip-seal or asphalt road and the road easement set-back line of the Lot.

Section 7.02. ~~Section 2. ——— Other~~ Owner Maintenance Responsibility~~Responsibilities.~~ Each Owner shall be ~~is~~ responsible for ~~the maintenance and repair of his or her~~ maintaining, repairing, and replacing the Owner's Lot and Residence ~~and Lot~~.

Section 7.03. ~~Section 3. ——— Association Recovery of Costs of Certain Repairs and~~ Maintenance.

¹⁵⁰ See Civil Code § 4725.

~~(a) (a) — Association Maintenance necessitated~~ Caused by Owner Negligence or Willful Act. If the need for maintenance or repair, which would otherwise be the Association's responsibility hereunder, is caused through the willful or negligent acts of an Owner, his an Owner's (or ~~her~~their family, guests, tenants, or ~~invitees, and is not covered~~ invitees) willful or negligent act(s) cause Association maintenance not otherwise covered or paid for by Association insurance policies ~~maintained by the Association or the responsible~~ or any Owner liability insurance policy, the cost of ~~such~~the Association's maintenance or repairs shall be ~~subject to recovery by the Association through the imposition~~ recovered from the Owner by way of a Special Individual Assessment ~~against the offending Owner in accordance with Article IV, section 4 hereof.~~

~~(b) (b) — Owner Defaults in Maintenance Responsibilities.~~ If an Owner fails to perform maintenance ~~or repair functions~~ for which ~~he or she~~ they is responsible, the Association may give written notice to the offending Owner with a request to correct the failure within ~~1~~ fifteen (15) days after ~~receipt thereof~~ the Owner receives the notice. If the Owner refuses or ~~fails to perform any~~ performs no necessary repair or maintenance, the Association may exercise its rights ~~under Article III, section 6(b)~~ to enter the Owner's Lot and perform the repair or maintenance ~~so at the Owner's cost and service charge, as~~ long as the Owner has first been given notice and the opportunity for a hearing ~~in accordance with Article XI, section 6, hereof,~~ prior to the corrective action.¹⁵¹

~~Section 7.04. Section 4. — Cooperative Maintenance Obligations.~~ To the extent necessary or desirable to accomplish the Association's maintenance ~~and repair~~ obligations ~~hereunder~~, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of its work.

ARTICLE VII

Easements

~~Section 1. — Road Easements.~~ Each Owner and the Association shall have and is hereby granted a nonexclusive easement for roadway and vehicular traffic purposes over and along the private roads within the Properties. The nonexclusive easement granted hereby to each Owner and to the Association is subject to the offer of dedication of such streets made upon the Subdivision Maps, ~~and upon complete or partial acceptance of such offer by the County, the easement shall terminate and be of no further force or effect as to those streets or portions thereof accepted by the County.~~

~~Section 2. — Drainage and Maintenance Easements.~~ Easements, within the existing property, are reserved for the construction, maintenance and operation therein or thereupon of pipes, conduits, ditches, and appurtenances, for the purpose of providing drainage or public services and facilities. No interference shall be made with the free use of such easements for the purposes for which they are intended.~~Section 3. — Other Easements.~~ Each Lot and its Owner, and the Association as to the roadways, are hereby declared to be subject to all the

¹⁵¹ See Declaration Section 12.06(d).

~~easements, dedications and rights of way granted or reserved in, on, over and under the Properties as shown on any Subdivision Map recorded with respect to the Properties, including, when reasonably required, permitting access by the Association, its agents and contractors, to the Owner's Lot to perform repair and maintenance work for which the Association is responsible.~~

ARTICLE VIII
Use of Properties and Restrictions

ARTICLE VIII
USE OF PROPERTY AND RESTRICTIONS

In addition to ~~the any Association Rules or~~ restrictions established by law ~~or Association Rules promulgated by the Board of Directors (consistent with this Declaration), the following,~~ these restrictions are ~~hereby~~ imposed upon the use and enjoyment of Lots, Common Areas, and other ~~parcels~~ property within the ~~Properties~~ Development:

Section 8.01. Section 1. ~~Section 1.~~ Prohibition on Business and Commercial Activities. No business or profession shall be carried on or conducted upon any portion of any Lot that increases normal traffic of the ~~neighborhood~~ Development, has the appearance of a business, or in any way disturbs the environment of the ~~neighborhood~~ Development. For the purposes of this Section 8.01, the conveyance of a leasehold by an Owner for the construction, maintenance and use of a communications facility including antennas within the power line easement area shown on the Subdivision Map, shall not be deemed a business, professional or commercial activity under this Declaration, provided that the communications facility, including antennas has been approved by the Architectural Control Committee and a right of entry agreement has been approved by the Board of Directors.

Section 8.02. Section 2. ~~Section 2.~~ Prohibition on Further Subdivision of Lots. No Lot in ~~this subdivision~~ the Development shall be subdivided into Lots or parcels of land less than five (5) acres.

Section 8.03. Section 3. ~~Section 3.~~ Restrictions on Pets ~~and/or~~ Other Animals. No Lot, Residence, plot or building in this ~~subdivision~~ Development shall be used for the keeping or breeding of fowl, or animals of any kind for commercial purposes. A reasonable and usual number of family pets and livestock may be kept for the pleasure of the occupants of the premises where kept, but the same shall not be kept in numbers or under conditions reasonably objectionable to other residents in the ~~subdivision~~ Development. Reasonably objectionable conditions include, but are not limited to, odor, dust, noise, insects and other vermin.

Section 8.04. Section 4. ~~Section 4.~~ Trash and Refuse. No garbage, refuses or obnoxious materials shall be permitted to accumulate on any ~~of said Lots~~ Lot, and the Owner thereof shall cause all garbage and other like materials to be disposed of by and in accordance with accepted sanitary practice. All garbage or trash containers, oil tanks, and other such facilities must be underground or placed in walled in areas so that they shall not be visible from the adjoining Lots, from the streets, or any pedestrian walkways.

Section 8.05. ~~Section 5.~~—Prohibition of Noxious or Offensive Activities. No obnoxious or offensive activity shall be carried on any Lot, or any portion thereof, nor shall anything be done which shall be or become an annoyance or a nuisance to the ~~neighborhood~~. Development. For the purposes of this Declaration, any communications facility, including antennas, provided they are constructed in accordance with plans approved by the Architectural Control Committee in accordance with this Declaration, shall not be deemed to violate the terms of this Section 8.05.

Section 8.06. ~~Section 6.~~—~~Restrictions on Signs~~Signage. No permanent sign of a commercial nature shall be displayed.

Section 8.07. ~~Section 7.~~—Prohibition of Drilling or Mining Operations. No work or exploration for any minerals, or drilling for any minerals, or mining of any minerals or quarrying of any rock, minerals, soil or material of any nature shall be conducted on any ~~Lots~~Lot or portions of this ~~subdivision~~Development, nor shall any excavation of any nature be made upon any Lot or any portion thereof, except as may be incident to the installation of utility services, drainage lines, excavations incident to the grading and preparation of building sites, and the construction of dwellings.

Section 8.08. ~~Section 8.~~—Fire Prevention. Fire prevention is the responsibility of all Lot ~~owners~~Owners, residents and their invitees. Lots are to be maintained free of dry grass, brush, dead trees and other flammable refuse for a distance of thirty (30) feet from all structures. Lots ~~will~~shall not be maintained in a manner that constitutes a fire hazard to any surrounding properties as may be determined by the Board of Directors.

Section 8.09. ~~Section 9.~~—Removal of Trees. No native living oak trees six (6) inches or greater in diameter measured twelve (~~12~~12) inches above the ground shall be cut down or in any way mutilated unless removal or trimming of the same is necessary to provide space upon which to erect a principal residential type dwelling or appurtenant structure. The removal of native oak trees for any other reasons shall be first approved by the Association's Board of Directors.

Section 8.10. ~~Section 10.~~—Maintenance of Lots. All Lots, including their set-backs, whether occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such a manner as to prevent their becoming unsightly by reason of unattractive growth on such Lot or the accumulation of rubbish or debris thereon. In the event any such Lot or improvement thereon is not so maintained, the ~~directors~~Board shall have the right, through the Board of Directors' agents and employees, to enter thereon (subject to this Declaration) for the purpose of maintenance, restoration or repair, the cost of which shall be added to and become a part of the ~~annual assessment~~Regular Assessment of which such Lot is subject.

Section 8.11. ~~Section 11.~~—Parking and Storage of Vehicles. No Owners or occupants of any Lot in this subdivision shall place, store, park or keep boats, house trailers, campers or heavy commercial vehicles of any kind on the streets of this ~~subdivision~~Development. Vehicles of these types stored on the Lots shall be enclosed, undercover or stored on the property to minimize their ~~view~~view from the street or neighboring ~~property~~Lot.

Section 8.12. ~~Section 12.~~ Waste Disposal Systems. Each ~~residence~~Residence shall be provided with a sewage disposal system consisting of an individual septic tank, or other equally sanitary structure for the storage or disposal of sewage⁴, constructed, located and connected with a drain field, and all such facilities shall conform to the Health and Safety Regulations of the County of ~~HEI~~El Dorado, State of California.

Section 8.13. ~~Section 13.~~ Prohibition on Obstruction of Visibility ~~From~~from Streets. Nothing within the set-back areas shall be constructed or permitted to remain or allowed to grow that will obstruct the visibility of the street by motorists.

~~Section 14.~~

Section 8.14. Roadside Tree Maintenance. All trees shall be trimmed and maintained in such a manner as to provide fourteen (14) feet of clearance above the roads and, if possible, six (6) feet of clearance from the sides of the roads. Dead trees or limbs that have the potential of falling in the roadway shall be removed.

Section 8.15. Activities Affecting Insurance. Nothing shall be done or kept within any Lot or Common Area that will increase the rate of insurance relating thereto without the prior written consent of the Board and no Owner shall permit anything to be done or kept within their Lot or within the Common Area which would cause any Improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Residence or any part of the Common Area.

Section 8.16. Variances. The Board may, upon an Owner's application, grant reasonable variances from these Article VIII property use restrictions if specific application of the restriction will, in the Board's sole discretion, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration. The Board shall follow the procedures in Section 5.11, above, for granting variances.

Section 8.17. Complaints About Non-Compliance with Property Use Restrictions.

(a) Who May Make a Complaint. Any Member of the Association may file, personally or by first class mail, a complaint with the Board of Directors regarding another Owner's non-compliance with one or more of the property use restrictions as stated in this Article VIII.

(b) Complaint Process. For the Board to take formal action on a complaint, the following procedures must be followed:

(i) All complaints shall be in writing and shall: (A) identify the alleged property use violation(s); (B) contain sufficient information to indicate that an Owner, Owner's lessee or tenant, or Owner's invitee is creating, or has created, the non-compliance condition; (C) identify by street address or Lot number the Lot(s) where the alleged violation has occurred or is occurring; and (4) be signed by the Member(s) alleging the non-compliance.

(ii) The Board of Directors member receiving the complaint will make a record of the date of receipt, retain a copy for the Board of Directors and, as soon as possible, but no later than seven (7) days, forward the complaint to the CC&R Enforcement Committee. The CC&R Enforcement Committee will investigate and evaluate the validity of the complaint.

(iii) If the CC&R Enforcement Committee determines that the complaint is valid the CC&R Enforcement Committee will, except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Property or to preserve the rights of quiet enjoyment of other Owners, notify in writing by registered mail the Owner(s) of the Lot where the alleged violation(s) occurred, or are occurring. Each notification will contain the alleged violations and supporting information, a request for compliance, a date in which to comply, the action to be taken if compliance is not achieved by the established abatement date, and the Owner(s) recourse and rights under these Governing Documents. The CC&R Enforcement Committee will also notify the Board of Directors of the results of their evaluation and the action taken. The Board of Directors will then respond back to the complainant explaining the action taken.

(c) Owner's Failure to Correct. If the Lot Owner(s) have been notified by the CC&R Enforcement Committee of non-compliance with this Article VIII and fail to correct the conditions stated in the notification by the established correction date, or correct the condition and then repeat the violation at a later time, the CC&R Enforcement Committee may issue a second notice. This second notice shall comply with the requirements for a first notice as stated in subparagraph (b)(iii), above. If, after the second notification, the Lot Owner(s) fail to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action against the Owner(s) as it deems necessary or appropriate under the circumstances, subject to Section 3.05, above.

(d) Non-Substantiated Complaints. If the CC&R Enforcement Committee determines that the complaint is not valid, the Committee will respond back to the Board of Directors in writing explaining the basis for the Committee's determination. The Board of Directors will then respond in writing to the complainant explaining why no action will be taken.

~~(e) Section 15. — Enforcement of Property Use Restrictions. The objective of this Declaration shall be to promote and seek voluntary compliance by Owners and tenants with the environmental standards and property use restrictions contained herein. Accordingly, in the event That the Association becomes aware of any property use infraction that does not necessitate immediate corrective action under Article III, section 5 hereof, the Owner or tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time specified in the notice, and advise the Owner or tenant of his or her right to be heard on the matter.~~Due Process. The Owner of any Lot accused of violating any of Governing Document will be allowed a hearing before the Board of Directors pursuant to Section 12.06, below. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Development or to preserve the rights of quiet enjoyment of other Owners, the Association shall have no right to initiate disciplinary action against an Owner-lessor (or the Owner's lessee or tenant) because of the misconduct of the

Owner's lessee or tenant unless these conditions have been satisfied: (i) the Owner has received written notice from the Board, the Association's property manager or an authorized committee of the Board detailing the lessee's/tenant's alleged infraction or misconduct and advising the Owner of their right to a hearing¹⁵² on the matter if the Owner believes that remedial or disciplinary action is unwarranted or unnecessary; (ii) the Owner has been given a reasonable opportunity to take corrective action voluntarily or to appear at a hearing, if one is requested by the Owner; and (iii) the Owner has failed to prevent or correct the tenant's objectionable actions or misconduct.

ARTICLE IX
Insurance

ARTICLE IX
EASEMENTS

Section 9.01. Road Easements. Each Owner and the Association shall have and is hereby granted a nonexclusive easement for roadway and vehicular traffic purposes over and along the private roads within the Properties. The nonexclusive easement granted hereby to each Owner and to the Association is subject to the offer of dedication of such streets made upon the Subdivision Maps, and upon complete or partial acceptance of such offer by the County, the easement shall terminate and be of no further force or effect as to those streets or portions thereof accepted by the County.

Section 9.02. Drainage and Maintenance Easements. Easements, within the existing property, are reserved for the construction, maintenance and operation therein or thereupon of pipes, conduits, ditches, and appurtenances, for the purpose of providing drainage or public services and facilities. No interference shall be made with the free use of such easements for the purposes for which they are intended.

Section 9.03. Other Easements. Each Lot and its Owner, and the Association as to the roadways, are hereby declared to be subject to all the easements, dedications and rights-of-way granted or reserved in, on, or over and under the Property as shown on any Subdivision Map Recorded with respect to the Property.

ARTICLE X
INSURANCE

Section 10.01. ~~Section 1.~~ Types of Insurance Coverage. The Association shall, at the discretion of the Board of Directors, purchase, obtain and maintain, with the premiums therefor being paid out of Common Funds, ~~the following~~ these types of insurance at minimum, if and to the extent ~~such insurance, with the coverage described below, is~~ they are available at a reasonable premium cost:

¹⁵² See Declaration Section 12.06(d).

(a) ~~•Public Liability and Property Damage Insurance. To the extent such insurance~~ To the extent such insurance is reasonably obtainable, a policy of comprehensive public liability and property damage insurance naming as parties insured the Association, ~~Eacheach~~ member of the Association Board of Directors, any manager, the Owners and occupants of Lots, and such other persons as the Board ~~of Directors~~ may determine. The policy will insure each named party against any liability incident to the ownership and use of the Common Area and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than covering all claims for death, personal injury and property ~~damage~~damages arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for non-owned and hired automobiles, liability for property of others and any other liability or risk customarily covered ~~with respect to projects~~regarding common interest developments similar in construction, location and use.

(b) Director's and Officer's Liability Insurance. The Association shall maintain individual liability insurance for its directors and officers providing coverage for negligent acts or omissions in their official capacities. The minimum coverage of such insurance shall be at least One Million Dollars (\$1,000,000.00).

(c) Fidelity Bond Coverage.¹⁵³ The Association shall maintain fidelity bond coverage for its directors, officers, and employees in an amount equal to or more than the combined amount of Association Reserves and total assessments for three (3) months. Such coverage shall include computer fraud and funds transfer fraud, and coverage for dishonest acts by a managing agent, manager or management company, or their employees, if the Association has retained such entity or person. If a bond is obtained, it shall name the Association as the obligee.

(d) ~~(a) Additional Insurance and Bonds. To the extent such insurance is reasonably obtainable, the~~ The Association may also purchase with Common Funds such additional insurance ~~and bonds~~ as it may, from time to time, determine to be necessary or desirable, including, without limiting the generality of this ~~section~~subparagraph (d), demolition insurance, flood insurance, and workers ~~compensation insurance. The Board of Directors shall also purchase and maintain fidelity bonds or insurance in an amount not less than 100% percent of each year's estimated annual operating expenses and shall contain an endorsement of any person who may serve without compensation. The Board of Directors shall purchase and maintain such insurance on personal property owned by the Association and any other insurance, including directors and officers liability insurance, that it deems necessary or desirable.~~ compensation insurance.

~~Section 10.02. Section 2. Coverage Not Available; Records Retention. In the event the Association is unable to obtain any insurance policy, or any endorsement thereof, required by section 1 is for any reason not available, then~~ required under Section 10.01 at a cost the Board determines is reasonable, the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage hereinabove described. The Board ~~of Directors~~ shall notify the Owners of any material adverse changes in the ~~Associations~~Association's insurance coverage.~~Section 3. Copies of Policies. Copies of all~~ The Association shall retain copies of all its insurance policies (or

¹⁵³ See Civil Code § 5806.

endorsement certificates ~~thereof showing the premiums thereon have been paid) shall be retained by) in the Association and shall be available for inspection by Owners at any reasonable time's records.~~

Section 10.03. Section 4. ~~Trustee. All~~ The Board in its discretion may pay to a trustee all insurance proceeds payable under section 1 of this Article, may, in the discretion of the Board of Directors, be paid to a trustee to be held and expended Section 10.01, above, for the benefit of ~~the~~ Owners, Mortgagees and others, as their respective interests shall appear. The trustee shall be a commercial bank in the County that agrees in writing to accept such trust.

Section 10.04. Section 5. ~~Adjustment of Losses. The Board of Directors is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to section 1 of this Article. The Board of Directors is granted full right and authority to~~ under Section 10.01, above. The Board may compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

Section 10.05. Required Notifications to Owners Regarding Insurance. The Board shall review the adequacy of all insurance, including the amount of liability coverage and the amount of property damage coverage, at least once every year. At least once every three (3) years, the Board's review shall include a replacement cost appraisal of all insurable Common Area Improvements without respect to depreciation. The Board shall adjust the policies to provide the amounts and types of coverage and protection customarily carried by prudent owners' associations operating in similar common interest developments. Annually the Association shall distribute to its Members a summary of the Association's property, general liability, earthquake fidelity insurance, flood insurance (if any), not less than thirty (30) nor more than ninety (90) days before the beginning of the Association's Fiscal year.¹⁵⁴ The summary distributed under this Section 10.05 shall contain in at least 10-point boldface type, the statement required by California Civil Code Section 5300(b)(9).

The Association shall, as soon as reasonably practicable, provide Individual Notice to all Members if the policies described in the Annual Budget Report have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, as to those policies.¹⁵⁵ If the Association receives any notice of nonrenewal of a policy described in the Annual Budget Report, the Association shall immediately notify the Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

Section 10.06. Section 6. ~~Insurance on Lots and Residences. An Owner may carry whatever personal liability, property damage liability, fire and casualty insurance with respect to his or her Lot, Residence and personal property as the Owner desires. The Association shall have no responsibility for the adequacy or extent of such insurance coverage.~~

ARTICLE X

¹⁵⁴ See Civil Code § 5300(b)(9).

¹⁵⁵ See Civil Code § 5810.

~~Damage or Destruction~~

ARTICLE XI DAMAGE OR DESTRUCTION

Section 11.01. Section 1. ~~Common Facilities; Bids and Determination of Available Insurance Proceeds. In the event~~ If any Common Facilities are ever damaged or destroyed, ~~then, and in such event, the Board of Directors shall~~ as soon as practicable thereafter ~~the Board of Directors shall~~: (a) obtain bids from at least two (2) reputable, licensed contractors, ~~which bids shall set~~ setting forth ~~in detail~~ the itemized price of and nature of work required ~~necessary~~ to repair, reconstruct and restore the damaged or destroyed portions of the Common Facilities to substantially the same condition as they existed ~~prior to~~ before the damage ~~and the itemized price asked for such work~~; and (b) determine ~~that amount of all~~ the insurance proceeds available to the Association ~~for the purpose of effecting~~ to effect such repair, reconstruction and restoration.

Section 11.02. Section 2. ~~Common Facilities; Sufficient Insurance Proceeds. Subject to the provisions of section 1 hereof, if, in the event of damage to or destruction of any portion of~~ Section 11.01 above, if any Common ~~Facility,~~ Facilities are damaged or destroyed and the insurance proceeds available to the Association ~~are sufficient to~~ will cover the costs of repair, reconstruction and restoration, then the Association may cause such facilities to be repaired, reconstructed, and ~~restored~~ restore; provided, however, that in the event of destruction of all or substantially all of a Common Facility, the Association shall not be obligated to restore the damaged Common Facility to its prior appearance and condition if the Board of Directors' opinion, architectural or design modifications to the Facilities will result in providing the Members with an improved facility which is suitable for substantially the same use and enjoyment as the destroyed facility.

Section 11.03. Section 3. ~~Common Facilities; Insufficient Insurance Proceeds~~ Insufficient in an Amount Exceeding \$5,000. In the event that Association Special Assessment Authority. If any Common Facility is partially, totally or substantially damaged or destroyed ~~or, if, in the event of damage to or destruction of only a portion of the Common Facilities, and~~ the insurance proceeds available to the Association are insufficient in an amount exceeding \$5,000 to cover the estimated cost of repair, reconstruction and restoration, then five (5%) percent of the Association's budgeted gross expenses for the year in which the loss occurs, the Owners entitled to ~~vote 75~~ seventy-five percent (75%) of the ~~voting power of each class of membership~~ Voting Power of the Association shall determine whether to: (a) i) fund the Special Assessment to repair, reconstruct and restore the damaged or destroyed Common Facilities and specially assess all Owners for ~~such~~ the additional funds ~~as may be needed for such purpose~~ necessary; or (b) ii) not to repair, reconstruct or restore the damaged or destroyed Common Facilities, but ~~rather~~ to utilize the insurance proceeds available for such reconstruction, ~~together~~ with any other sums ~~otherwise available to the Association for such purpose, to~~ necessary to: (1) demolish and remove the damaged or destroyed Improvements from the Common Area and to level and landscape the sites thereof and (2) apply any balance of such proceeds and/or funds as the Members holding such ~~voting power~~ Voting Power and their first mortgagees may determine.

Section 11.04. Section 4. ~~Damage or Destruction of Residences.~~ In the event of damage or destruction by fire or other casualty affecting a Residence, the Owner thereof shall, within six (6) months thereafter, either:

- (a) Diligently commence to rebuild the Residence in accordance with the minimum construction requirements and approvals imposed ~~by Article V~~ under Articles V and VI, above; or
- (b) Clear the Lot, removing all wreckage, debris and remains of the Residence therefrom and leaving the same in a clean condition.

ARTICLE XI
Breach and Default

ARTICLE XII
ASSOCIATION ENFORCEMENT RIGHTS AND DISPUTE RESOLUTION

Section 12.01. Association Standing and Enforcement Rights, Generally.

(a) Association Standing to Represent the Owners/Members. The Association has standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without necessity of joining the Members in matters pertaining to¹⁵⁶.

- (i) Enforcement of the Governing Documents; and
- (ii) Damage to the Common Area.

(b) ~~Section 1.~~ ~~Remedy at Law Inadequate.~~ Except for the nonpayment of any Assessment, it is ~~hereby expressly~~ declared and agreed that the remedy at law to recover damages for the breach, default or violation ~~of any~~ of the covenants, conditions, restrictions, limitations, ~~reservation, reservations,~~ grants of easements, rights, rights-of-way~~;~~, liens, charges or equitable servitudes ~~contained~~ in this Declaration are inadequate and that the failure of any Owner, tenant, occupant or user of any Lot or any portion of the Common Area or Common Facilities, to comply with any provision of the Governing Documents of the Association, may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors, or by their respective successors ~~in~~ in interest.

Section 12.02. Section 2. ~~Nuisance.~~ Without limiting the generality of the foregoing ~~section,~~ Section 12.01, the result of every act or omission whereby any covenant ~~contained~~ in this Declaration is violated in whole or in part is ~~hereby~~ declared to be a nuisance, and every remedy against nuisance, either public or private, shall ~~be applicable~~ apply against every such act or omission.

~~Section 12.03. Section 3.~~ ~~Costs and Attorneys' Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this~~

¹⁵⁶ See Civil Code § 5980.

~~Declaration, the court may award to any party to such action such attorneys' fees and other costs as it may deem just and reasonable.~~ Attorneys' Fees. Reasonable attorneys' fees and costs shall be awarded to the prevailing party in any procedure to enforce the Governing Documents or a party's rights arising under the Governing Documents. Such enforcement procedures include an action brought in any court of competent jurisdiction and any internal dispute resolution (IDR) and/or alternative dispute resolution (ADR) procedures.¹⁵⁷ In any enforcement procedure, such as mediation in which there is no agreement between all parties that attorneys will represent them, recoverable costs are limited to attorneys' fees and costs incurred in providing the notices required under such statute.

Section 12.04. Section 4. ~~Section 4.~~ Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and ~~the exercise of exercising~~ any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 12.05. Section 5. ~~Section 5.~~ Failure Not a Waiver. The failure of any Owner, ~~the Board of Directors,~~ the Association or its Board of Directors, officers, committees or agents to enforce ~~any of~~ the covenants, conditions, restrictions, limitations, reservations, grants ~~or of~~ easements, rights, rights-of-way, liens, charges or equitable servitudes ~~contained~~ in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the ~~Board of Directors,~~ or any of its officers, committees or agents.

Section 12.06. Section 6. ~~Section 6.~~ Rights- and Remedies of the Association (Governing Document Enforcement).

(a) Rights Generally. ~~In the event of a breach or violation of~~ If an Owner¹⁵⁸ breaches or violates any Association Rule, or ~~of any provision of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board of Directors, for and on behalf of all other Owners, Governing Documents, the Board~~ may enforce the obligations of each Owner to obey ~~such Rules, covenants, or restrictions~~ the Association Rules and/or Governing Documents through the use of such remedies as ~~are~~ deemed appropriate by the Board ~~of Directors~~ and available in law or in equity; including, but not limited to, the hiring of legal counsel, ~~the imposition of imposing~~ fines and monetary penalties, ~~the pursuit of pursuing~~ legal action, or ~~suspension of suspending~~ the Owner¹⁵⁸ ~~'s membership privileges (other than voting rights as a Member)~~; provided, however, the Association¹⁵⁸'s right to undertake disciplinary action against its Members shall be subject to the conditions ~~set forth~~ in this ~~section~~ Section.

The ~~decision of whether it is appropriate or necessary for the Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Board of Directors or its duly authorized enforcement committee~~ Board in its sole discretion possesses the choice to initiate enforcement or disciplinary action against a Member. If

¹⁵⁷ See Civil Code §§ 5975; 5900 – 5915 (IDR); or 5925 - 5960 (ADR).

¹⁵⁸ Including their family, or the Owner's guests, employees, invitees, licensees, or tenants. This meaning applies throughout Section 12.06.

the Association declines to ~~take action~~ act in any instance, any Owner shall have such rights of enforcement ~~as exist by virtue of section 1354 of the California Civil Code~~ by statute or otherwise by law.¹⁵⁹

(b) Schedule of Fines. The Board ~~of Directors~~ may implement a schedule of reasonable fines and penalties for ~~particular~~ offenses ~~that are~~ common or recurring in nature and for which a uniform fine schedule is appropriate ~~(such as fines for late payment of Assessments or illegally parked vehicles).~~ If adopted, the Association shall include the fine schedule in its Annual Policy Statement and deliver to Members via Individual Delivery.¹⁶⁰ Before a fine is assessed or membership privileges are suspended, the Board must comply with statutorily required notice and hearing procedures.¹⁶¹ Once imposed, a fine or penalty may be collected as a Special Individual Assessment, subject to Section 4.10(b)(x), above.

(c) Definition of a "VIOLATION". A Governing Document violation ~~of the Governing Documents shall be defined as~~ means any single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, ~~discipline imposed by the Board of Directors's disciplinary action~~ may include one component for the violation and, ~~according to the Board of Directors' discretion,~~ a per diem component for ~~so~~ long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. If the violation or nuisance occurs within Common Area, the Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance, at the cost of the responsible Owner.

(d) Limitations On the Exercise of Disciplinary Rights.

(i) Limitations on Right of Forfeiture. The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of their Lot due to a Violation of the Governing Documents or Association Rule, unless the loss or forfeiture results from a Court judgment, a decision arising out of arbitration or a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's membership rights or imposition of monetary penalties for a Violation if the Association's actions satisfy subparagraph (iii), below.

(ii) Imposition of Monetary Penalties. If the Association imposes a monetary penalty for: (A) a Member's failure to comply with the Governing Documents; (B) reimbursement for the Association's costs in repairing damage to Common Area or Common Facilities allegedly caused by a Member; or (C) bringing the Member and the Member's Lot/Residence into compliance with the Governing Documents, the penalty may not be characterized nor treated as an Assessment that may become a lien against the Member's Lot and Residence enforceable by a sale of the Residence/Lot in non-judicial foreclosure; provided, however, this limitation on the Association's lien rights shall not apply to charges imposed against an Owner for late payment penalties to reimburse the Association for the loss of interest and for costs (including attorneys' fees) reasonably incurred in the Association's efforts to collect

¹⁵⁹ See Civil Code §§ 5975(a); 5900 – 5915 (IDR); or 5925 - 5960 (ADR).

¹⁶⁰ See Civil Code § 5310(a)(8).

¹⁶¹ See Civil Code § 5855(d).

delinquent Assessments. Monetary penalties for a Violation shall not exceed the amount stated in the Association's fine schedule.¹⁶²

~~(iii) (d) Limitations of Disciplinary Rights. No penalty or temporary suspension of rights shall be imposed pursuant to this Article unless the Owner alleged to be in violation is given at least 15 days prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board of Directors or appropriate committee established by the Board of Directors with respect to the alleged violation(s) at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action.~~ Notice and Hearing Requirements for Disciplinary Actions. The Board shall impose no disciplinary action, penalty or temporary suspension of rights unless the Board first provides the allegedly violating Owner at least ten (10) days prior notice¹⁶³ by personal delivery or Individual Delivery that the Board will be meeting to consider imposing such discipline. If the Board imposes discipline or monetary charge at the hearing, the Board shall notify the Owner, in writing, within fifteen (15) days after the hearing.¹⁶⁴

The Board may adopt Association Rules that further elaborate and refine the procedures for conducting disciplinary proceedings, so long as those rules meet the minimum requirements for a fair, reasonable and expeditious dispute resolution procedure.¹⁶⁵

Notwithstanding the foregoing, under circumstances involving conduct that constitutes: ~~(iA)~~ an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring ~~residents~~ Owners; ~~(iiB)~~ a traffic or fire hazard; ~~(iiiC)~~ a threat of material damage to, or destruction of, the ~~roads~~ Common Area or ~~other~~ Common Facilities; or ~~(ivD)~~ a violation of the Governing Documents ~~that is~~ of such a nature ~~that~~ there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments or parking violations), ~~the Board of Directors~~, or its duly authorized agents, may undertake immediate corrective or disciplinary action and, upon request of the offending Owner ~~(which request must be received by the Association, in Writing, within five days following the Association's disciplinary action)~~¹⁶⁶, or on its own initiative, conduct a hearing as soon thereafter as reasonably possible.

~~If the Association acts on its own initiative to schedule a hearing, notice of the date, time and location of the hearing shall accompany the notice of disciplinary action. If the accused Owner desires a hearing, a written request therefor shall be delivered to the Association no later than five days following the date when the fine is levied.~~

The Board shall hold the hearing ~~shall be held~~ no ~~more~~ later than fifteen (15) days following ~~the date~~ imposition of the disciplinary action, or fifteen (15) days following receipt of the ~~accused~~ offending Owner's request for a hearing, whichever is later. Under such circumstances, any fine or other disciplinary action shall be held in abeyance and ~~shall~~ only become effective if affirmed at the hearing.

¹⁶² See Civil Code § 5850(c).

¹⁶³ See Civil Code § 5855(b) (outlining required contents of the notice.)

¹⁶⁴ See Civil Code § 5855(c).

¹⁶⁵ See Civil Code §§ 4360; 4365; 5910.

¹⁶⁶ The Owner must submit a written request to the Association within five (5) days following the Association's disciplinary action.

~~At the hearing the accused~~The Owner shall be given the opportunity to be heard, including the right to present evidence and ~~to~~ present or question witnesses at the hearing. The ~~Board of Directors~~ shall notify the ~~accused~~ Owner, of its decision in writing, ~~of the Board of Directors' decision~~ within ~~three~~five (5) business days following ~~conclusion of~~ the hearing. ~~In no event shall the's conclusion.~~ The effective date of any disciplinary action shall not commence sooner than five (5) days following ~~conclusion of~~ the hearing's conclusion unless: (i) the hearing merely affirms summary disciplinary action initiated ~~pursuant to~~under the immediately preceding paragraph; or (ii) earlier commencement is necessary to preserve the quiet enjoyment of other residents or to prevent further damage to, or destruction of, the ~~Properties~~Lots, Common Area, or any portion thereof.

(e) ~~Notices. Any notice required by this Article shall, at a minimum, set forth the date and time for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents and a reference to the specific Governing Document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice; provided, however, that if notice is given by mail it shall be sent by first class or certified mail sent to the last address of the Member shown on the records of the Association.~~Inapplicability of Section 12.06(d) Procedures to Assessment Collection Actions. The notice and hearing procedures in this Section 12.06 shall not apply to Association action to collect delinquent Assessments. Assessment collections shall be subject to the prior notification and other procedural requirements in Section 4.10, above, and any other applicable statutory notice, hearing and/or dispute resolution requirements or procedures.¹⁶⁷

(f) ~~Rules Regarding Disciplinary Proceedings. The Board of Directors shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board of Directors, shall become a part of the Association Rules.~~

ARTICLE XII

Notices

Section 12.07. Court Actions. Court actions to enforce the Governing Documents may only be initiated on behalf of the Association by resolution of the Board. The Association must first comply with statutory alternative dispute pre-litigation procedures¹⁶⁸ before filing any court action seeking declaratory or injunctive relief to interpret or enforce the Governing Documents. The Association's own notice and hearing procedures may be drafted to satisfy these statutory requirements.

ARTICLE XIII

NOTICES

Section 13.01. Section 1. Mailing Addresses. Any communication or notice of any kind permitted or required herein Any provision of this Declaration that requires notice shall be

¹⁶⁷ See Civil Code §§ 5650 - 5735.

¹⁶⁸ See Civil Code §§ 5925 - 5950.

in writing and may be served, as an alternative to personal service, by mailing the same as follows:

If to any Owner: To the street address of ~~his or her~~their Lot, or to such other address as ~~he or she~~the Owner may from time to time designate in writing to the Association.

If to the Association: Green Springs Ranch Landowners Association, ~~at the principal office of the Association (Inc., at P.O. Box 825 Folsom, CA 95763,~~ or to such other address as the Association may from time to time designate in writing to the Owners).

Nothing in this Section 13.01 is intended to preclude the Association's use of any other means of delivering notices to Members or Owners (other than by personal service or mail), if other methods of delivery are authorized by this Declaration.¹⁶⁹

Section 13.02. ~~Section 2.~~ Personal Service Upon Co-Owners and Others. Personal service of a notice or demand to ~~one of the co-Owners of any~~ a Lot's co-owner, ~~to any general partner of a partnership which is the Owner of Record of the Lot,~~ or to any officer or agent for service of process of ~~a corporation which~~ an entity that is the Owner of Record of ~~the~~ any Lot, shall be deemed delivered to all such co-~~Owners, to such~~ owners, the partnership, or ~~to such~~ corporation, as ~~the case may be~~ applicable.

Section 13.03. General Rules Regarding Delivery of Notices. These general rules shall additionally apply to delivery of notices:¹⁷⁰

(a) ~~Section 3. Deposit in United States Mails. All notices and demands served by mail shall be by first class or certified mail, with postage prepaid, and shall be deemed delivered four days after deposit in~~ If a document is delivered by mail, delivery is deemed complete on deposit into the United States mail ~~in the County.~~

ARTICLE X

No Public Rights in the Properties

- (b) If a document is delivered by electronic means, delivery is complete at the time of transmission.
- (c) If the Association or a Member has consented to receive information by electronic delivery, and a provision of the Act requires that the information be in writing, that requirement is satisfied if the information is provided in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is

¹⁶⁹ See Civil Code §§ 4040 and 4045.

¹⁷⁰ See Civil Code §§ 4040 and 4045.

not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.

ARTICLE XIV
NO PUBLIC RIGHTS IN THE PROPERTY

Nothing contained in this Declaration shall be deemed to be gift or dedication of all or any portion of the ~~Properties~~Property to the general public or for any public use or purpose whatsoever.

~~**ARTICLE XIV**~~

ARTICLE XV
AMENDMENT OF DECLARATION

Section 15.01. Amendment of this Declaration~~Section 1. ——— Amendment in General.~~
This Declaration may be amended ~~or revoked in any respect~~only by the vote or assent by ~~written~~secret ballot of ~~the holders of~~ not less than ~~51~~forty-one percent (41%) of the ~~voting power~~Voting Power of the Association. Notwithstanding the foregoing, the percentage of affirmative votes necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

Section 15.02. Section 2. ——— Effective Date of Amendment. The amendment will be effective upon the Recording a Certificate of Amendment, duly executed and certified by the ~~president~~President and ~~secretary~~Secretary of the Association, setting forth in full the amendment so approved and that the approval requirements of ~~section 1 above~~Section 15.01 have been ~~duly~~ met.

Section 15.03. Section 3. ——— Reliance on Amendments. Any amendments made ~~in accordance with the terms of~~under this Declaration shall be presumed valid by anyone relying on them in good faith.

~~**ARTICLE XV**~~
~~**General Provisions**~~

ARTICLE XVI
GENERAL PROVISIONS

Section 16.01. Section 1. Term~~Term.~~ The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes ~~contained~~ in this Declaration shall run with, and shall benefit and burden the Lots and the

Common Area as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors, ~~and its~~ officers and agents, and their respective successors in interest, for the term of sixty (60) years from ~~the date of the Recording~~Recording of this Declaration. After the ~~expiration of the~~ initial term ~~expires~~, ~~the term of~~ this Declaration's term shall be automatically extended for successive periods of ~~10~~ten (10) years each unless, within six (6) months ~~prior to~~before the expiration of the initial 60-year term or any such 10-year extension period, a recordable written instrument, approved by Owners entitled to vote and holding at least a majority of the ~~voting power~~Voting Power of the Association terminating the effectiveness of this Declaration, is Recorded.

Section 16.02. ~~Section 2.~~ Construction.

(a) Restrictions Construed Together. ~~All of the covenants, conditions and restrictions~~ All provisions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of ~~the development of the Properties as set forth~~developing the Development as described in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

(b) Restrictions Severable. Notwithstanding ~~the provisions of~~ subparagraph (a), above, ~~the covenants, conditions and restrictions~~all provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(c) Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or ~~neuter~~neutral shall each include the masculine, feminine and ~~neuter~~neutral, as the context requires.

(d) Captions. All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the ~~substantive~~ terms or provisions of ~~this~~the Declaration.

(e) Exhibits. All exhibits to which reference is made herein are deemed incorporated herein by reference, whether or not actually attached.

(f) Incorporation by Reference. The Recitals and any footnotes are incorporated into and made a part of this Declaration by reference.

(g) References to State Statutes. Any references in this Declaration to State Statutes shall be to the referenced statute as in effect on the date this Declaration is Recorded in the Official Records of the County. In the event that any referenced statute is amended or superseded, all such references shall mean and refer to the referenced statute as so amended, modified or superseded, so long as the amended statute continues to regulate or pertain to the same subject.

Dated: _____, 2024

[signature page to follow]

GREEN SPRINGS RANCH LANDOWNERS ASSOCIATION,
INC.
a California nonprofit mutual benefit corporation.

By: _____
Name: Mike Ladeaux
Title: President

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not to the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____, who
proved to me on the basis of satisfactory evidence to be the person(s) whose
names(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not to the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____, who
proved to me on the basis of satisfactory evidence to be the person(s) whose
names(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"
LEGAL DESCRIPTION OF
PROPERTY SUBJECT TO THIS DECLARATION

All of that certain real property located in the County of El Dorado, State of California, which is more particularly described as follows:

ASSESSOR PARCEL NUMBERS:

<u>115-051-01</u>	<u>115-061-01</u>	<u>115-071-01</u>	<u>67-501-01</u>	<u>67-501-24</u>
<u>115-051-03</u>	<u>115-062-01</u>	<u>115-071-02</u>	<u>67-501-02</u>	<u>67-501-25</u>
<u>115-051-05</u>	<u>115-062-02</u>	<u>115-071-03</u>	<u>67-501-03</u>	<u>67-501-26</u>
<u>115-051-06</u>	<u>115-063-01</u>	<u>115-071-04</u>	<u>67-501-04</u>	<u>67-501-27</u>
<u>115-051-07</u>	<u>115-063-02</u>	<u>115-071-05</u>	<u>67-501-05</u>	<u>67-501-28</u>
<u>115-051-08</u>	<u>115-063-03</u>	<u>115-071-06</u>	<u>67-501-06</u>	<u>67-501-30</u>
<u>115-051-09</u>	<u>115-063-04</u>	<u>115-071-07</u>	<u>67-501-07</u>	<u>67-501-31</u>
<u>115-051-10</u>	<u>115-063-05</u>	<u>115-071-08</u>	<u>67-501-08</u>	<u>67-501-32</u>
<u>115-051-11</u>	<u>115-063-06</u>	<u>115-071-09</u>	<u>67-501-09</u>	<u>67-501-33</u>
<u>115-051-12</u>	<u>115-063-07</u>	<u>115-071-10</u>	<u>67-501-10</u>	<u>67-501-34</u>
<u>115-052-01</u>	<u>115-063-08</u>	<u>115-072-01</u>	<u>67-501-11</u>	<u>67-501-36</u>
<u>115-052-02</u>	<u>115-064-01</u>	<u>115-072-02</u>	<u>67-501-12</u>	<u>67-501-37</u>
<u>115-053-01</u>	<u>115-064-02</u>	<u>115-072-03</u>	<u>67-501-13</u>	<u>67-501-38</u>
<u>115-053-02</u>	<u>115-064-03</u>	<u>115-072-04</u>	<u>67-501-14</u>	<u>67-501-39</u>
<u>115-053-03</u>	<u>115-065-01</u>	<u>115-072-05</u>	<u>67-501-15</u>	<u>67-501-42</u>
<u>115-053-04</u>	<u>115-065-02</u>	<u>115-072-06</u>	<u>67-501-16</u>	<u>67-501-43</u>
<u>115-054-01</u>	<u>115-065-03</u>	<u>115-072-07</u>	<u>67-501-17</u>	<u>67-501-46</u>
	<u>115-065-04</u>	<u>115-072-08</u>	<u>67-501-18</u>	<u>67-501-47</u>
	<u>115-065-05</u>	<u>115-072-10</u>	<u>67-501-19</u>	<u>67-501-48</u>
	<u>115-065-06</u>	<u>115-072-11</u>	<u>67-501-20</u>	<u>67-501-49</u>
		<u>115-072-12</u>	<u>67-501-21</u>	
		<u>115-072-13</u>	<u>67-501-22</u>	
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		<u>115-072-15</u>		
		<u>115-072-16</u>		
		<u>115-073-03</u>		
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		<u>115-073-05</u>		
		<u>115-073-06</u>		
		<u>115-073-07</u>		
		<u>115-073-08</u>		

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WHEN RECORDED, MAIL TO:**

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THIRD AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GREEN SPRINGS RANCH

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