[PROPOSED] AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF GREENTREE HOMES ASSOCIATION ("CC&RS")

COMPONENTS C-01 THROUGH C-18

PART ONE - CC&R COMPONENT C-01

REMOVE OBSOLETE ANNEXATION PROCEDURES

CURRENT ARTICLE II OF THE CC&RS

Article II of the CC&Rs currently provides as follows:

> ANNEXATION OF ADDITIONAL PROPERTIES
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> Section 1. Annexation of additional property and subjecting it to the jurisdiction of the Association shall require the affirmative vote, at a Special Meeting duly called for this purpose, of two-thirds (2/3) of the entire Class A Membership and two-thirds (2/3) of the entire Class B Membership.
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> section 2. If within five (5) years of the date of incorporation of the Association, Declarant should develop additional lands within the area described in Exhibit A, attached hereto and incorporated herein by reference thereto, such additional lands may be annexed to said properties and brought within the jurisdiction of the Association without the assent of the Class A Members; provided, however, that the development of such additional lands shall be in accordance with a general plan submitted to the Federal Housing Administration and/or the Veterans Administration with the processing papers for the properties. Detailed plans for the development of additional lands must be submitted to the Federal Housing Administration prior to such development. If the Federal Housing Administration determines that such detailed plans are not in accordance with the general plan on file and so advises the Association and Declarant, then annexation can only take place pursuant to Section 1 hereof. Declarant's right to annex additional lands without the assent of the Class A Members will terminate three (3) years from the date of issuance of the last Final Subdivision Report by the Department of Real Estate of the State of California for any part of the Properties.
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> section 3. Annexation shall be accomplished by a duly recorded declaration of Declarant if annexation is pursuant to section 2 hereof, or by the owners of the annexed property if annexation is pursuant to section 1 hereof. The declaration of annexation shall describe the property annexed and state that it is made pursuant to the terms hereof for the purpose of annexing the property so described to the properties and extending the jurisdiction of the Association to cover the same. If the annexation occurs after an election by the members, it shall so state, including a statement of the time and place of the meeting, the date of notice, the number of members present, the number of members who voted in favor of the annexation, and the declaration shall be verified and acknowledged by two or more members of the Board. Such a declaration recorded in accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after annexation, the property annexed shall be subject to the provisions of this Declaration and the jurisdiction of the Association pursuant to the terms thereof, the Articles of Incorporation and By-Laws.

PROPOSED CHANGE C-01 TO ARTICLE II OF THE CC&RS

ARTICLE II of the Declaration of Covenants, Conditions and Restrictions for Greentree Homes Association is amended in its entirety to read:

"ARTICLE II - RESERVED (COMPLETED ANNEXATIONS)."

This amendment removes only the expired procedure for annexation of additional property. It does not release any Lot from the Declaration; revoke, impair, or alter any annexation previously accomplished by recorded instrument; or modify any easement, burden, benefit, map, or tract specific right established by the Declaration, any supplemental declaration, or any recorded amendment.

PART TWO - CC&R COMPONENT C-02

SINGLE CLASS OF MEMBERSHIP AND VOTING

CURRENT ARTICLE IV OF THE CC&RS

Article IV of the CC&Rs currently provides as follows:

VOTING RIGHTS The Association shall have two classes of voting membership: Class A. Class A members shall be all members other than Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership in Article III. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Class B. The Class B member shall be Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article III, provided that the Class B membership shall cease and be converted to Class A membership in the happening of any of the following events, whichever occurs earlier: (a) When the total votes outstanding in the Class A membership equal to the total votes outstand- ing in the Class B membership; (b) The expiration of two (2) years from the date of issuance by the Department of Real Estate of the state of California of the most recent Final Subdivision Report for a phase of the overall develop- ment; or (c) The expiration of four (4) years from the date of recordation of this Declaration.

PROPOSED CHANGE C-02 TO ARTICLE IV OF THE CC&RS

ARTICLE IV of the Declaration is amended in its entirety to read as follows:

ARTICLE IV - VOTING RIGHTS.

Section 1. Single Class; Voting Power. The Association shall have one class of voting membership. Each Lot subject to assessment by the Association shall be entitled to one (1) vote on each matter submitted to the Members, except to the extent that cumulative voting applies to a director election under the Bylaws and applicable law. The former Class B Declarant voting rights and multiple vote preferences have expired and confer no current voting rights.

Section 2. Membership Appurtenant to Lot. Membership is inseparable from ownership of a Lot and passes automatically with the ownership interest upon conveyance. The transferor shall have no vote attributable to the Lot after the transfer is effective as reflected in the Association's records and applicable law. The Association may reasonably require evidence of record ownership before recognizing a change in voting eligibility.

Section 3. Multiple Owners. If two or more persons or entities own one Lot, each qualifies as a Member to the extent provided in Article III, but together they exercise only the single vote allocated to the Lot. The joint Owners shall determine among themselves how that vote is cast. If conflicting votes or authorizations are submitted for the same Lot and the conflict is not resolved before the close of voting, the independent inspector of elections shall determine the treatment of the vote in accordance with applicable law and duly adopted Election Rules; no more than one vote shall be counted for the Lot.

Section 4. Statutory Voting Procedures. All votes requiring a secret ballot shall be conducted pursuant to Civil Code sections 5100 through 5145, as amended or renumbered, and applicable lawful Election Rules. Nothing in this Article reduces a special approval percentage expressly required elsewhere in the Declaration or changes the procedures governing the amendment of the Declaration under Article XI, Section 3. Obsolete references elsewhere in the Declaration to Class A and Class B shall be read consistently with the single existing class to the extent legally possible without altering substantive approval requirements.

PART THREE - CC&R COMPONENT C-03

MODERNIZE REGULAR ASSESSMENT INCREASE PROVISIONS

CURRENT ARTICLE VI, SECTION 3 OF THE CC&RS

Article VI, Section 3 of the CC&Rs currently provides as follows:

> section 3. Basis and Maximum of Annual Assessments. until January 1 of the year immediately following the conveyance of the first Lot with a completed residence thereon, the maximum annual assessment shall be One Hundred Twenty Dollars ($120.00) per Lot. (a) From and after January 1 of the year immediately following the conveyance of the first Lot with a completed dwelling thereon, the maximum annual assessment may be increased effective January 1 of each year without a vote of the members, in an amount equal to the proportionate percentage increase, if any, in the Bureau of Labor statistics, U. S. Department of Labor, Consumer Price Index (city Average) or any successor of such index, for the month of July next preceding said January lover the index for the preceding month of July. (b) From and after January 1 of the year immediately following the conveyance of the first lot with a completed dwelling thereon, the maximum annual assessment may be increased above that established pursuant to subsection (a) above by the vote or written assent of fifty-one percent (51%) of each class of membership attending a special Meeting called for the purpose.

PROPOSED CHANGE C-03 TO ARTICLE VI, SECTION 3 OF THE CC&RS

Article VI, Section 3 of the Declaration is amended in its entirety to read:

> "Section 3. Regular Assessments; Budget and Member Approval. The Board shall determine and levy regular assessments for the Association's lawful common expenses and obligations, in accordance with the adopted budget, the other provisions of this Declaration, and applicable law. The original developer-era dollar maximum and Consumer Price Index increase formula in the former Section 3 are superseded by this Section.

(a) The Board shall comply with the annual budget and disclosure requirements applicable under Civil Code section 5300 and the conditions for assessment increases under Civil Code section 5605, as amended or renumbered.

(b) Except where a statutory exception applies, the Board shall not impose regular assessments more than twenty percent (20%) greater than the regular assessments for the preceding fiscal year without approval of a majority of a quorum of Members, as defined in Civil Code sections 4070 and 5605, at a duly conducted Member election. Assessments qualifying as emergency assessments may be imposed only as permitted under Civil Code section 5610 and other applicable law.

(c) Assessment Administration; Billing; Certificates. Regular assessments shall continue to be invoiced on a quarterly basis and payable on January 1, April 1, July 1, and October 1, except to the extent a different schedule is established by a later valid amendment of the Declaration or required by controlling law. The Board shall fix the amount of annual regular assessments at least forty-five (45) days before the annual assessment period and provide written notice to the Members. On a Member's request, the Association shall furnish a written certificate signed by an authorized officer identifying any assessments due and unpaid with respect to the Member's Lot. The Association may charge only a lawful, reasonable amount for that certificate, and any certificate stating that identified assessments have been paid shall be conclusive evidence of payment in favor of persons who rely on it in good faith, to the extent required by applicable law.

(d) This Section does not broaden the purposes or authorization of special assessments under Article VI, Section 4, which is not amended by this consolidated amendment; nor does it limit a greater approval requirement imposed for a particular expenditure by any other valid provision of the Governing Documents."

PART FOUR - CC&R COMPONENT C-04

UPDATE DELINQUENT ASSESSMENT AND LIEN COLLECTION RULES

CURRENT ARTICLE VI, SECTION 7 OF THE CC&RS

Article VI, Section 7 of the CC&Rs currently provides as follows:

> Section 7. Effect of Nonpayment of Assessments. Each regular assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner or owners of the Lots against which the same are assessed. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation as follows: (a) Any assessment not paid within thirty (30) days shall bear interest from the due date at the rate of 10% per annum. (b) A suit or suits at law to enforce each such assessment obligation shall be brought in the name of the Association and the Association shall be deemed to be acting on behalf of all the Owners. Any judgment rendered in any such action shall include, where permissible under any law, a sum for reasonable attorneys' fees in such amount as the Court may adjudge against such defaulting Owner. upon full satisfaction of any such judgment, it shall be the duty of the Association by an authorized officer thereof to execute and deliver to the judgment debtor an appropriate satisfaction thereof. (c) At any time

within ninety (90) days after the occurrence of any such default, the Association may give notice to the defaulting owner, which said notice shall state the date of the delinquency, the amount of the delinquency and make a demand for payment thereof. If such delinquency is not paid within ten (10) days after delivery of such notice, the Association may file a claim under the lien provided for in Section 1 above against the Lot of such delinquent owner. Such claim shall state: (1) The name of the delinquent Owner; (2) A description of the Lot against which claim of lien is made; (3) The amount claimed to be due and owing; (4) That the lien is asserted by the Association pursuant to the terms of this Declaration (giving the date of execution and the date, book and page references of the recording hereof in the Office of the Recorder of the County of Orange); and, (5) That a lien is claimed against the described Lot in an amount equal to the amount of the stated delinquency. Any such claim shall be signed and a~ledged by any two or more members of the Board and shall be dated as of the date of the execution of the last such Board member to execute said claim. The lien may be foreclosed by appropriate action in Court or in the manner provided by law for the foreclosure of a mortgage under power of sale. In the event such foreclosure is by action in Court, reasonable attorneys' fees shall be allowed to the extent permitted by law. In the event the foreclosure is as in the case of a mortgage under power of sale, any person designated by the Association, in writing, shall be deemed to be acting as the agent of the lien or and shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. The certificate of sale shall be executed and acknowledged by any two members of the Board or by the person conducting the sale. A deed upon foreclosure shall be executed in like manner.

PROPOSED CHANGE C-04 TO ARTICLE VI, SECTION 7 OF THE CC&RS

Article VI, Section 7 of the Declaration is amended in its entirety to read:

"Section 7. Delinquent Assessments; Collection; Recorded Liens.

(a) Personal Obligation and Delinquency. Each duly levied regular or special assessment constitutes a debt of the Owner of the Lot at the time the assessment is levied, subject to Civil Code section 5650 and applicable law. Assessments become delinquent in accordance with Civil Code section 5650, except to the extent that another valid provision of this Declaration establishes a longer period.

(b) Charges and Interest. When an assessment is delinquent, the Association may recover only the late charges, reasonable collection costs, reasonable attorneys' fees, and interest permitted by Civil Code section 5650 and other applicable law. Interest on delinquent assessments and other recoverable amounts shall not exceed ten percent (10%) annually or a lower rate required by law, and shall not commence earlier than the date permitted by statute. Payments shall be applied in the order required by Civil Code section 5655.

(c) Collection Procedure. Before recording any lien or pursuing foreclosure, the Association shall comply with all applicable pre-lien notices, opportunities for payment plans and dispute resolution, Board approvals, notice requirements, itemization, and other procedures prescribed by Civil Code sections 5650 through

5740, as amended or renumbered. The Board may pursue a personal action to collect amounts legally due, subject to statutory conditions.

(d) Assessment Covenant and Lien. The obligation to pay assessments continues as each assessment becomes due. A recorded notice of delinquent assessment secures the assessments and other charges properly identified in the notice and related itemization. Assessments that become due after that notice is recorded are not automatically secured by that recorded notice. The Association shall provide any further pre-lien notices, account itemization, Board authorization, and additional or amended recordation required by applicable law before asserting a lien for later amounts.

(e) Foreclosure and Limitations. Any lien may be enforced only as permitted by Civil Code sections 5700 through 5725, including statutory thresholds, Board approval, owner notices, redemption rights, and other mandatory safeguards. Disciplinary fines and other nonlienable charges shall not be made collectible through assessment lien foreclosure contrary to Civil Code section 5725. The priority of a first mortgage or deed of trust remains subject to Article VI, Section 8, as amended by the recorded September 1971 instrument, and applicable law.

(f) Release. Upon payment or other satisfaction of a recorded lien, the Association shall execute, deliver, and record releases as required by Civil Code section 5685. The Association shall not recover costs or interest prohibited by statute."

PART FIVE - CC&R COMPONENT C-05

AUTHORIZE ACTUAL-COST REIMBURSEMENT CHARGES

CURRENT PROVISION - ARTICLE VI (NEW SECTION 10)

The proposed provision is new; no existing section with this number is being replaced by Amendment C-05.

PROPOSED CHANGE C-05 TO ARTICLE VI (NEW SECTION 10) OF THE CC&RS

Article VI of the Declaration is amended to add Section 10, immediately following existing Section 9, as follows:

"Section 10. Reimbursement Charges for Damage and Owner Maintenance Defaults.

(a) Actual Costs. If an Owner, occupant, guest, tenant, licensee, contractor, or other person for whom the Owner is legally responsible causes damage to Common Area or Association-maintained improvements, or an Owner fails to perform maintenance, repair, or replacement expressly allocated to that Owner under this Declaration, the Association may recover from the responsible Owner the actual, reasonable, documented costs it lawfully incurs to repair the damage or perform the Owner's neglected obligation, to the extent responsibility is established under the Governing Documents and applicable law.

(b) Notice and Opportunity. Except in an emergency involving an actual threat to health, safety, property, or essential services, the Association shall provide reasonable written notice of the condition, a reasonable opportunity to perform the required work, and any hearing and disciplinary or due process procedures required by law before

imposing a charge. The Association shall take reasonable steps to avoid unnecessary expense and shall give an itemized account of the amount sought.

(c) Classification; Enforcement. A reimbursement charge under this Section is compensatory and is not a disciplinary fine or penalty. It may be collected through a personal action or other lawful remedy. Only an actual cost charge for repair of damage to Common Area or facilities caused by a Member or the Member's guest or tenant, to the extent authorized by Civil Code section 5725(a) and the other governing provisions of law, may be secured and enforced by a lien against a Lot; this Section expressly authorizes such a lien only to that lawful extent and subject to all statutory prerequisites. An Owner maintenance reimbursement not meeting that standard, and any disciplinary fine, shall not be treated as foreclosable solely because the Association labels it a reimbursement assessment.

(d) No Duplicate Recovery. Amounts paid by insurance, a responsible third party, or another reimbursement source shall be credited against the actual amount sought from the Owner. This Section does not modify the regular or special assessment allocation, impose strict liability beyond applicable law, or expand the Association's right to enter a Lot beyond existing lawful authority."

PART SIX - CC&R COMPONENT C-06

PRESERVE FEDERAL PROTECTION FOR COVERED ANTENNAS

CURRENT ARTICLE VII, SECTION 1 OF THE CC&RS

Article VII, Section 1 of the CC&Rs currently provides as follows:

> Section 1. Architectural Approval. No building, fence, wall or other structure, landscaping or irrigation system, shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein, including patio covers and antennas, be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an Architectural Committee comprised of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with.

PROPOSED CHANGE C-06 TO ARTICLE VII, SECTION 1 OF THE CC&RS

Article VII, Section 1 of the Declaration is amended to delete only the words "and antennas" from the list of exterior additions requiring prior architectural approval and to insert the following sentence immediately after the first sentence of that Section:

> "Notwithstanding the foregoing, an antenna or receiving device protected by the federal Over-the-Air Reception Devices rule, 47 C.F.R. section 1.4000, or other controlling federal law shall not be subject to any application, prior approval, delay, fee, or restriction that is prohibited by that law. The Association may apply a lawful

restriction addressing safety or historic preservation only to the extent and in the manner federal law permits."

The existing thirty (30)-day general architectural approval or disapproval period and the remainder of Article VII, Section 1 remain unchanged by this amendment.

PART SEVEN - CC&R COMPONENT C-07

EXPEDITED QUALIFYING DISASTER RECONSTRUCTION

CURRENT PROVISION - ARTICLE VII (NEW SECTION 2)

The proposed provision is new; no existing section with this number is being replaced by Amendment C-07.

PROPOSED CHANGE C-07 TO ARTICLE VII (NEW SECTION 2) OF THE CC&RS

Article VII of the Declaration is amended to add the following new Section 2:

"Section 2. Reconstruction Following a Qualifying Disaster. Notwithstanding Section 1, applications for substantially similar reconstruction of a residential structure damaged or destroyed by a qualifying disaster, as those terms are defined in Civil Code section 4752, shall be reviewed and acted upon solely in accordance with Civil Code sections 4752 and 4766 and all other controlling requirements of law, as amended or renumbered.

For such an application, the Architectural Committee or other reviewing body shall determine completeness and provide notice within the thirty (30) calendar days provided by Civil Code section 4766(b); shall undertake review and provide approval or a comprehensive written statement of noncompliance within forty-five (45) calendar days after the application is deemed complete, as provided by subdivision (c); and shall provide the appeal rights and sixty (60)-day appeal decision period required by subdivision (e). A failure to respond and any deemed-completeness consequences shall be governed by that statute. The reviewing body shall not apply any subjective aesthetic standard or condition that is unlawful under Civil Code section 4752.

The regular thirty (30)-day review provision in Section 1 remains in effect for applications that do not qualify under Civil Code section 4766. Nothing in this Section dispenses with lawful City permits or other governmental approvals."

PART EIGHT - CC&R COMPONENT C-08

ELIMINATE SUSPENSION OF MEMBERSHIP VOTING RIGHTS

CURRENT ARTICLE VIII, SECTION 2(E) OF THE CC&RS

Article VIII, Section 2(e) of the CC&Rs currently provides as follows:

(e) To suspend the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his Lot remains unpaid; and after a hearing before the Board held not less than forty-eight (48) hours, nor more than fifteen (15) days after written notice thereof to said member, for a period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations;

PROPOSED CHANGE C-08 TO ARTICLE VIII, SECTION 2(E) OF THE CC&RS

Article VIII, Section 2(e) of the Declaration is amended in its entirety to read:

> "(e) To suspend a Member's right to use nonessential recreational facilities during any period in which an assessment against the Member's Lot remains unpaid, to the extent permitted by law; and, after the notice and hearing required by Civil Code section 5855 and other applicable law, for a period not to exceed thirty (30) days for an infraction of the Association's published rules and regulations. No suspension under this paragraph shall affect a Member's voting rights, lawful access to the Member's Lot, or other rights protected by law."

PART NINE - CC&R COMPONENT C-09

PROHIBIT LOT SPLITTING SUBJECT TO APPLICABLE LAW

CURRENT ARTICLE IX, SECTION 1 OF THE CC&RS

Article IX, Section 1 of the CC&Rs currently provides as follows:

> Section 1. Land Use Lots 1 through 65 in the Properties shall be used for single family residential purposes. Lot 66 in the Properties shall be used for Common Area.

PROPOSED CHANGE C-09 TO ARTICLE IX, SECTION 1 OF THE CC&RS

Article IX, Section 1 is amended to add the following paragraph immediately after the existing first paragraph, without otherwise altering the existing Lot-use descriptions:

> "(a) Subdivision of Lots. Except to the extent that enforcement of this covenant is prohibited by controlling law, no Owner may subdivide, partition, or split any Lot subject to this Declaration into two or more separately conveyable fee simple residential parcels, whether through an urban lot split, parcel map, lot-line adjustment creating an additional legal lot, or other comparable subdivision procedure. This restriction is a private covenant concerning the configuration and separate conveyance of Lots; it does not purport to direct, limit, or change the City of Irvine's statutory duty to consider and decide qualifying applications under Government Code section 66411.7 or other applicable public land use law. Governmental approval of an urban lot split does not, by itself, decide the separate question whether a private recorded covenant is enforceable. The Association may assert this covenant only to the extent it remains enforceable under applicable statutes, controlling judicial decisions, and court orders, and shall not use it to impair rights that controlling law protects against private restrictions. Nothing in this paragraph prohibits an accessory dwelling unit, junior accessory dwelling unit, or other use to the extent affirmatively protected against private restrictions by law; alters any existing recorded easement or tract boundary; or creates a new discretionary Association permit requirement."

PART TEN - CC&R COMPONENT C-10

PROTECT LAWFUL RESIDENTIAL ACTIVITIES

CURRENT ARTICLE IX, SECTION 19 OF THE CC&RS

Article IX, Section 19 of the CC&Rs currently provides as follows:

> Section 19. Commercial Activities Prohibited. Lots 1 through 65 and Common Area shall not be used for or in connection with the conduct of any trade, business, professional or commercial activity of any kind or nature whatsoever except as expressly hereinafter provided. No building upon any Lot or upon the Common Area shall be used in the conduct of any real estate business, as an office or otherwise, except that Declarant or its designees, may maintain model homes and real estate office for the purpose of selling any Lot or Lots (improved or unimproved) subject hereto or other real property owned by Declarant or persons designated by Declarant and contiguous to the property subject hereto.

PROPOSED CHANGE C-10 TO ARTICLE IX, SECTION 19 OF THE CC&RS

Article IX, Section 19 of the Declaration is amended only by adding the following paragraph at the end of that Section; all existing commercial activity restrictions otherwise remain unchanged:

> "Notwithstanding the foregoing, this Section shall not be construed to prohibit a qualifying family child care home, a licensed residential care facility, or any other residential use or activity that the Association is required to permit under applicable federal or California law. Such protected uses remain subject to otherwise lawful health, safety, nuisance, and property maintenance requirements to the extent permitted by law."

PART ELEVEN - CC&R COMPONENT C-11

UPDATE NONCOMMERCIAL SIGNS AND FLAGS

CURRENT ARTICLE IX, SECTION 21 OF THE CC&RS

Article IX, Section 21 of the CC&Rs currently provides as follows:

> section 21. signs. No signs or other advertising device of any nature whatsoever shall be placed on or maintained upon any Lot except neatly painted ,"For Sale", "For Rent", or "Open for Inspection" signs, a maximum of 18 inches by 24 inches in size. Notwithstanding the foregoing, however, Declarant or its designees may erect and maintain upon any Lot or Lots of the Common Area such signs and other advertising devices as it may deem necessary in connection with the conduct of operations for the development, subdivision and sale of the Properties or other real property owned by Declarant or its designees and contiguous to the property subject hereto; provided, however, that Declarant's rights to conduct such advertising activity shall expire 2 years from the date of issuance by the Department of Real Estate of the state of California of the most recent Final Subdivision Report for a phase of the overall development.

PROPOSED CHANGE C-11 TO ARTICLE IX, SECTION 21 OF THE CC&RS

Article IX, Section 21 of the Declaration is amended in its entirety to read:

"Section 21. Signs, Posters, Flags, and Banners. Subject to Civil Code sections 4705 and 4710, as amended or renumbered, no provision of this Declaration or the Association's rules shall prohibit an Owner from displaying lawful noncommercial signs, posters, flags, or banners on or in the Owner's separate interest, except to the extent necessary to protect public health or safety or to comply with local, state, or federal law.

The Association may prohibit noncommercial signs or posters exceeding nine (9) square feet and noncommercial flags or banners exceeding fifteen (15) square feet, to the extent permitted by Civil Code section 4710. Restrictions concerning the materials and method of display shall not exceed those permitted under that statute. A lawful display of a United States flag remains protected by Civil Code section 4705. Lawfully permitted real estate signs shall be governed by Civil Code sections 712 and 713 and applicable law. Any original Declarant specific advertising exception or sales office right that has expired is deleted."

PART TWELVE - CC&R COMPONENT C-12

ALIGN COMMUNICATIONS DEVICE RESTRICTIONS WITH OTARD

CURRENT ARTICLE IX, SECTION 22 OF THE CC&RS

Article IX, Section 22 of the CC&Rs currently provides as follows:

section 22. Antennas. No towers, antennas, aerials, or other facilities for the reception or transmission of radio or television broadcasts or other means of communication shall be erected and maintained or permitted to be erected and maintained on any Lot or the Common Area except by installations inside of structures constructed on said Lot or Common Area or by underground conduits.

PROPOSED CHANGE C-12 TO ARTICLE IX, SECTION 22 OF THE CC&RS

Article IX, Section 22 of the Declaration is amended in its entirety to read:

"Section 22. Antennas and Communications Devices. An Owner may install, maintain, and use an antenna or other device protected by the federal Over-the-Air Reception Devices rule, 47 C.F.R. section 1.4000, within areas in which the Owner has the exclusive use or control recognized by that regulation, without advance architectural approval or any restriction that would impair installation, maintenance, or use in violation of federal law. Restrictions reasonably necessary to accomplish a clearly defined, legitimate safety objective or to preserve a qualifying historic property may be applied only if and to the extent permitted by federal law.

Other towers, transmission antennas, and communications equipment not protected by federal or state law remain subject to the lawful architectural review requirements and other enforceable provisions of this Declaration. Nothing herein grants an Owner the right to attach equipment to Association-owned Common Area or property of another Owner without the consent otherwise legally required."

PART THIRTEEN - CC&R COMPONENT C-13

PERMIT PROTECTED ROOFTOP SOLAR INSTALLATIONS

CURRENT ARTICLE IX, SECTION 25 OF THE CC&RS

Article IX, Section 25 of the CC&Rs currently provides as follows:

> section 25. Rooftop Appliances. In addition to the Architectural Control provided pursuant to Article VII hereof, appliances or installations upon the roofs of structures shall not be permitted unless they are installed in such manner that they are not visible from neighboring property or adjacent streets.

PROPOSED CHANGE C-13 TO ARTICLE IX, SECTION 25 OF THE CC&RS

Article IX, Section 25 of the Declaration is amended only by adding the following paragraph at the end of that Section; the existing visibility restriction for other rooftop equipment and appliances remains unchanged:

> "Notwithstanding the foregoing, a solar energy system protected under Civil Code sections 714 and 714.1 may be installed and used subject only to restrictions those statutes permit. A prohibition on visibility or a requirement for preferred roof placement shall not be enforced against a protected solar energy system if doing so would significantly increase its cost or significantly decrease its efficiency or specified performance within the meaning of Civil Code section 714. Applications for such systems shall be reviewed in accordance with the deadlines and procedures required by Civil Code section 714(e) and other applicable law."

PART FOURTEEN - CC&R COMPONENT C-14

CLARIFY RESPONSIBILITY FOR LANDSCAPE SLOPES

CURRENT ARTICLE IX, SECTION 27 OF THE CC&RS

Article IX, Section 27 of the CC&Rs currently provides as follows:

> Section 27. Maintenance of Slopes. Each Owner shall maintain the slopes upon his Lot at the slope and pitch fixed by the finish grading thereof including watering and planting of the slopes.

PROPOSED CHANGE C-14 TO ARTICLE IX, SECTION 27 OF THE CC&RS

Article IX, Section 27 of the Declaration is amended in its entirety to read:

> "Section 27. Slopes: Maintenance, Repair, and Replacement. Subject to the recorded boundaries, maps, easements, and any more specific recorded maintenance obligation, each Owner shall maintain, repair, and replace at the Owner's expense landscaping, irrigation, planting, erosion control features, and the finished grade of slopes situated wholly within the walls enclosing the Owner's Lot, and shall not materially alter the slopes' original grade, drainage pattern, or stability without any required governmental and Association approvals.
>
> The Association shall maintain, repair, and replace landscaping and associated improvements on slopes situated outside the perimeter walls enclosing individual Lots and within the slope maintenance easement established by Article V, Section 6,

to the extent such obligations are assigned to the Association by the recorded documents; provided, however, that the Association shall not assume title to or structural responsibility for a Lot, retaining wall, drainage facility, or privately maintained improvement solely because a slope maintenance easement exists. Slopes located between contiguous Lots, or on or near property lines or shared walls, shall be maintained by the party responsible under the recorded easements and other specific provisions of this Declaration, with unresolved boundary conditions evaluated from the official tract and grading maps.

Nothing in this Section authorizes either party to change a recorded easement, to shift an expense allocated by a more specific recorded instrument, or to undertake work contrary to an applicable legal permit or safety requirement."

PART FIFTEEN - CC&R COMPONENT C-15

COORDINATE SPECIAL MEMBERSHIP MEETING REQUIREMENTS

CURRENT ARTICLE X OF THE CC&RS

Article X of the CC&Rs currently provides as follows:

SPECIAL MEETINGS Whenever a Special Meeting is required pursuant to the terms hereof, the meeting shall be called by written notice to the members setting forth the purpose of the meeting and fixing the date therefor not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The presence of members entitled to cast a vote of at least sixty percent (60%) of the total vote of each class of membership in person or by proxy shall constitute a quorum. If a quorum is not present, the meeting may be adjourned to a date not less than forty-eight (48) hours nor more than thirty (30) days after the date of the meeting fixed by notice given as above set forth. At such reconvened meeting, the presence of members entitled to cast at least thirty percent (30%) of the total vote of each class of membership in person or by proxy shall constitute a quorum. A Special Meeting may only be reconvened once. Thereafter, a new meeting must be called and the original quorum requirements shall be applicable. Whenever any action requires a two-thirds (2/3) vote of the entire membership, members not present at the Special Meeting may vote by written consent given within ten (10) days after the date of the Meeting.

PROPOSED CHANGE C-15 TO ARTICLE X OF THE CC&RS

ARTICLE X of the Declaration is amended in its entirety to read:

"ARTICLE X - SPECIAL MEETINGS OF MEMBERS. Special meetings of the Members required or permitted by this Declaration may be called, noticed, held, adjourned, and reconvened in accordance with Article IV of the Bylaws, Corporations Code sections 7510 through 7513, and any other applicable law, as amended or renumbered. The special sixty percent (60%) initial and thirty percent (30%) reconvened quorum requirements formerly contained in this Article are deleted. The quorum applicable to any meeting or ballot shall be determined by the Bylaws and controlling statutes, except where a specific valid provision governing an action requires otherwise.

Nothing in this Article reduces the affirmative Member vote required to amend the Declaration under Article XI, Section 3, or changes a separate substantive approval threshold in the Declaration. Director elections remain subject to applicable special election quorum rules, which do not automatically determine the quorum or approvals for a declaration amendment."

PART SIXTEEN - CC&R COMPONENT C-16

PROHIBIT LEASES SHORTER THAN 30 DAYS

CURRENT PROVISION - ARTICLE IX (NEW SECTION 28)

The proposed provision is new; no existing section with this number is being replaced by Amendment C-16.

PROPOSED CHANGE C-16 TO ARTICLE IX (NEW SECTION 28) OF THE CC&RS

Article IX of the Declaration is amended to add Section 28, immediately following existing Section 27, as follows:

"Section 28. Minimum Rental Period. No Owner shall rent or lease a Lot for residential occupancy for a term of fewer than thirty (30) consecutive days, except to the extent a shorter period or other use is expressly protected by applicable law.

This Section does not restrict bona fide, nonpaying personal guests of an Owner or otherwise lawful owner occupancy. The Association shall apply this minimum term consistently with Civil Code sections 4740 and 4741 and other applicable law."

PART SEVENTEEN - CC&R COMPONENT C-17

PROHIBIT TIMESHARE OR VACATION-INTERVAL USES

CURRENT PROVISION - ARTICLE IX (NEW SECTION 29)

This component adds a new Section 29 to Article IX; no existing section with this number is being replaced.

PROPOSED CHANGE C-17 TO ARTICLE IX (NEW SECTION 29) OF THE CC&RS

Article IX of the Declaration is amended to add Section 29, immediately following Section 28 added by this consolidated amendment, as follows:

"Section 29. Timeshare Use Prohibited. No Lot may be established, offered, sold, or used as part of a timeshare plan, including a timeshare estate or timeshare use, as those terms are defined under applicable law.

This Section does not prohibit ordinary fee simple co-ownership, lawful leases, bona fide guest occupancy, or other ownership or occupancy arrangements that are not timeshare plans or that applicable law protects."

PART EIGHTEEN - CC&R COMPONENT C-18

CONSOLIDATE MAINTENANCE ALLOCATION AND PRESERVE EASEMENTS

CURRENT PROVISION - NEW ARTICLE XII

The proposed provision is new; no existing section with this number is being replaced by Amendment C-18.

PROPOSED CHANGE C-18 TO NEW ARTICLE XII OF THE CC&RS

The Declaration is amended to add the following new ARTICLE XII after Article XI, without deleting any existing grant of easement or specific maintenance allocation:

"ARTICLE XII - MAINTENANCE AND REPAIR RESPONSIBILITIES.

Section 1. Purpose and Priority. This Article summarizes the principal maintenance, repair, and replacement responsibilities under the Declaration. It is intended to clarify administration of existing duties and not to transfer title, vacate easements, or nullify a more specific express obligation set forth in Article V, Article VIII, Article IX, a recorded supplemental declaration, or another valid recorded instrument. In the event of a true conflict, the more specific recorded allocation controls unless this Declaration is expressly amended to provide otherwise.

Section 2. Individual Lots. Each Owner remains responsible for maintenance, repair, and replacement of the Owner's Lot, structures, and improvements only to the extent those responsibilities are already allocated to the Owner by this Declaration, including Article IX, Section 8 and other applicable provisions. Nothing herein enlarges an Owner's existing maintenance obligations.

Section 3. Common Area and Association Facilities. The Association remains responsible for Common Area and other facilities or improvements only to the extent assigned to it by Article VIII, Sections 1(e) and 3, Article V, Article IX, or other applicable recorded provisions. An easement over a Lot does not, by itself, transfer additional maintenance obligations to the Association.

Section 4. Walls and Recorded Easements. Patio and related easements continue to be governed by Article V, Sections 1 through 4, as amended by the recorded September 1971 instrument. Party walls, shared walls, and perimeter walls remain subject to the specific maintenance, repair, replacement, contribution, and access provisions of Article IX, Sections 10 through 16 and any other controlling recorded instruments.

Section 5. Slopes and Drainage. Responsibility for slopes, landscaping, irrigation, grading, and drainage remains governed by Article V, Section 6, Article IX, Section 27, recorded maps and easements, and other more specific recorded obligations. This Article does not transfer such responsibilities or expand any easement.

Section 6. No Change of Rights or Remedies. This Article is intended only as a summary of existing responsibilities. It does not create a new assessment, lien, repair obligation, right of entry, or liability, and shall not override a more specific recorded provision or applicable law."