

JOINER VILLAGE HOMEOWNERS ASSOCIATION

Articles of Incorporation
CC&Rs
By Laws
Subdivision Rules

FOR YOUR INFORMATION:

“If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.”

Joiner Village Homeowners Association

November 2, 2020

Dear Joiner Village Homeowners:

Enclosed is the 2021 Budget for Joiner Village Homeowners Association which was approved by your Board of Directors. The monthly assessments for 2021 will be \$90.00 per month.

Included in this packet are documents that the Davis-Stirling Act (Civil Code) requires Associations to prepare and distribute to all its members. These documents include the following:

- Annual Budget Report
- Annual Policy Statement
- Assessment Collection Policy
- Assessment and Foreclosure Policy/ Payments, meetings and payment plans
- Summary of Insurance Coverage
- Notice of Members Right to Internal Dispute Resolution
- Notice of Members Right To Alternative Dispute Resolution
- Architectural Approval Policies and Procedures
- Fine Schedule
- Members Rights to Copies of Minutes
- Security & Secondary Address Disclosure
- California Homeowner Reserve Study Summary

Your Assessment Coupons for January 2021 through December 2021 will be sent under separate cover.

In order to prevent any confusion, should you be signed up to have your assessments automatically withdrawn (ACH) from your bank account each month by the association's bank, you will not be receiving a coupon book. If you decide you would still like coupons or if you cancel your ACH, please contact the management office and we will mail you a set of payment coupons.

Please call Landmark Limited if you have questions or comments:

Joiner Village Homeowners Association
Landmark Limited
1731 East Roseville Parkway #100
Roseville, CA 95661
Office: 916-746-0011 | Fax: 916-746-0088
corporate@landmarklimited.net

JOINER VILLAGE HOMEOWNERS ASSOCIATION 2021 BUDGET

	Budget 2020	Budget 2021	Per Month	Per Home (96)
INCOME				
Assessments	\$103,680.00	\$103,680.00	\$8,640.00	\$90.00
Late Charges	\$150.00	\$150.00	\$12.50	\$0.13
Bad debt recovery	\$0.00	\$0.00	\$0.00	\$0.00
Misc. Income	\$150.00	\$150.00	\$12.50	\$0.13
Reserve Income	\$100.00	\$100.00	\$8.33	\$0.03
Subtotal Income	\$104,080.00	\$104,080.00	\$8,673.33	\$90.29
EXPENSES				
UTILITIES				
PG&E Electricity	\$900.00	\$1,150.00	\$95.83	\$1.00
Water & Sewer	\$13,998.00	\$9,000.00	\$750.00	\$7.81
Subtotal Utilities	\$14,898.00	\$10,150.00	\$845.83	\$8.81
MAINTENANCE				
Lawn Service	\$30,000.00	\$31,500.00	\$2,625.00	\$27.34
Misc. Landscaping	\$5,000.00	\$5,000.00	\$416.67	\$4.34
Repairs & Maintenance	\$4,000.00	\$3,964.00	\$330.33	\$3.44
Road Work Repair	\$150.00	\$100.00	\$8.33	\$0.09
Subtotal Maintenance	\$39,150.00	\$40,564.00	\$3,380.33	\$35.21
ADMINISTRATION				
Accounting	\$1,215.00	\$1,215.00	\$101.25	\$1.05
Legal	\$451.00	\$500.00	\$41.67	\$0.43
Management	\$20,736.00	\$20,736.00	\$1,728.00	\$18.00
Printing/Postage	\$1,500.00	\$1,800.00	\$150.00	\$1.56
Insurance	\$5,524.00	\$5,515.00	\$459.58	\$4.79
Taxes	\$45.00	\$45.00	\$3.75	\$0.04
Bad Debt	\$100.00	\$50.00	\$4.17	\$0.04
Subtotal Administration	\$29,571.00	\$29,861.00	\$2,488.42	\$25.92
ALLOCATION TO RESERVES				
Reserve Contribution	\$20,361.00	\$23,405.00	\$1,950.42	\$20.32
Reserve Interest	\$100.00	\$100.00	\$8.33	\$0.03
Subtotal Reserves	\$20,461.00	\$23,505.00	\$1,958.75	\$20.35
TOTAL EXPENSES	\$104,080.00	\$104,080.00	\$8,673.33	\$90.29

Annual Policy Statement

The California Civil Code Requires each Association to provide an annual policy statement to the members within thirty to ninety days of the fiscal year end. Please read these policy statements below, as they contain information regarding your community.

Official Communications

All official communications to the Association should be sent to Landmark Limited Group of Companies located at 1731 E. Roseville Parkway Suite #100 Roseville, CA 95661.

Secondary Address

California Civil Code requires the Association to advise all owners of the right to submit a secondary address to the Association, provided that the request is made in writing and mailed to the Association in a manner that indicates that the Association has received it.

General Notice Location

The Civil Code also requires that the membership be notified of the designated area for the posting of general notices. General notices are either emailed to Owners, posted on the website if available, or posted onsite.

Right to Receive General Notice by Individual Delivery

All owners have the option to receive general notices by individual delivery upon written request to the Association, provided that the request is made in writing and mailed to the Association in a manner that indicates the Association has received it.

Minutes

Members of the Association are hereby advised that in addition to the information required by law, minutes or summary minutes of the meetings of the Board of Directors are available to any member, upon written request and with the submission of payment for the cost of distribution.

Membership Assessment Collection Policy

Enclosed is the Membership Assessment Collection Policy, which includes the Association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments and the mailing address for overnight payment of assessments.

Dispute Resolution Procedures

Enclosed is a copy of the Alternative Dispute Resolution (ADR) and the Internal Dispute Resolution (IDR) process. California law requires that certain types of disputes between the Association and the Membership provide for an independent forum to resolve the dispute before the filing of a lawsuit by any party.

Architectural Guidelines and Procedures

The procedures for applying for additions, alterations, or modifications to a lot (or unit) within the Association, and for reviewing and approving or disapproving such applications, are set forth in the governing documents of your homeowner's association. For more information, please refer to the enclosed copy of the Summary of Procedure for Approval of Physical Changes to Property.

Governing Document Enforcement & Fine Policy

Should any of the rules or regulations of the Association's governing documents be violated, the Board of Directors will implement the enclosed violation and fine policy.

It is suggested that you keep these reports with all other documents pertaining to your home, as you may be required by law to show it to any prospective buyer of your property.

JOINER VILLAGE HOMEOWNERS ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY

1. Regular assessments are due, in advance, on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date. Special Assessments, Reimbursement Assessments, and Enforcement Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within fifteen (15) days after it is due. A late charge of ten dollars (\$10.00) or ten percent (10%) of the delinquent assessment, whichever is greater, shall be due on any such delinquent assessment. The Association may recover interest on all the amounts due once due and unpaid for thirty (30) days, at the rate of twelve percent (12%) per annum.
2. If any portion of any such assessment, late charge, interest or cost of collection remains unpaid sixty (60) days after the original due date, a "Notice of Intent to Lien" will be prepared and sent to the owner(s) by certified mail. The Notice will, among other things, state the current charges owed by the owner(s), and any additional information required by California Civil Code Section 5660 or comparable superseding statute.
3. If all such amounts have not been received ninety (90) days after the original due date thereof, or thirty (30) days after the mailing of a "Notice of Intent to Lien" whichever is later, a Notice of Delinquent Assessment ("Lien") will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent amount secured by the lien.
4. If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien, or within the time frame outlined in Civil Code Section 5705 whichever occurs later, the Association may, without further advance notice to the owner(s), proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the property owner(s), except as otherwise provided by law.
5. The Association may recover all reasonable costs incurred in collecting any delinquent assessment, including reasonable attorney's fees.
6. The Board may, for good cause based upon the Board's sole discretion, agree to a payment plan which permits payment of the delinquent assessment(s), late charges, interest and collection costs.
7. Unless the Board agrees to a payment plan, all amounts due pursuant to this policy, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts to the time that all such amounts are paid in full.
8. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until such time as all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.
9. The Association shall charge a "returned check charge" of twenty-five (\$25.00) for all checks returned as "non-negotiable", "insufficient funds", or any other reason.
10. All notices will be mailed to the owner(s) at the last mailing address provided in writing to the Association.
11. The mailing address for overnight payment of assessments is: Landmark Limited LLC, 1731 East Roseville Parkway Suite 100, Roseville, CA 95661. A different address for delivery of assessment and related payments may be designated by the Board from time-to-time.
12. The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The Board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

An association distributing the notice required by this section to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.

Annual Insurance Disclosure 2020-21

In accordance with the requirements set forth under California Civil Code 5300 (b)(9), associations must provide the following insurance summary annually. This disclosure will list the insurance your association carries through our agency.

Joiner Village Homeowners Association

Effective: February 07, 2020 to 2021

- **Property Insurance Coverage**

Insurer: Farmers Insurance Group of Companies

Policy Limits: \$431,500. / Deductible: \$500.

- **General Liability Insurance Coverage**

Insurer: Farmers Insurance Group of Companies

Policy Limits: \$2,000,000. Occurrence / Aggregate: \$4,000,000.

- **Crime/Employee Dishonesty/Fidelity Bond Coverage**

Insurer: Farmers Insurance Group of Companies

Policy Limits: \$100,000. / Deductible: \$500.

- **Directors and Officers Coverage: \$1,000,000. / Deductible: \$1,000.**

- **Excess Liability/Umbrella Coverage: \$1,000,000. / SIR: \$10,000.**

- **Workers Compensation Coverage: N/A**

- **Flood Insurance Coverage: Clubhouse: N/A Residential: N/A**

- **Earthquake/DIC Insurance Coverage: N/A**



This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Phone: (800) 281-7873 - Fax: (916) 797-3388 www.rickrussoinsurance.com

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SUMMARY OF CALIFORNIA STATUTES RELATING TO INTERNAL DISPUTE RESOLUTION (IDR) PROCEDURES
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SUMMARY OF INTERNAL DISPUTE RESOLUTION

Pursuant to Civil Code Section 5905, either the Association or a Homeowner who is involved in a dispute regarding the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act may invoke the following procedure, which supplements the pre-litigation procedures described above (it does not replace such procedures):

- 1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- 2) A member of an Association may refuse a request to meet and confer.
- 3) The Associations Board of Directors shall designate a member of the Board to meet and confer.
- 4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- 5) A resolution of the dispute agreed to by the parties shall be memorialized in the writing and signed by the parties, including the Board designee on behalf of the Association.
- 6) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
 - (i) The agreement is not in conflict with California law or the governing documents of the Association.
 - (ii) The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.
- 7) A member of the Association may not be charged a fee to participate in the IDR process.

SUMMARY OF CALIFORNIA STATUTES RELATING TO ALTERNATIVE DISPUTE RESOLUTION (ADR) PROCEDURES

SUMMARY OF ALTERNATIVE DISPUTE RESOLUTION

California Civil Code Sections 5925 through 5965 address your rights to sue the Association or another member of the Association regarding the enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act. The following is a summary of the provisions of Civil Code 5925 through 5965, as enacted effective January 1, 2005.

In general Civil Code sections 5925 through 5965 encourages parties to a dispute involving enforcement of an Association's governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act to submit the dispute to a form of Alternative Dispute Resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost effective resolution to such disputes, to better preserve community cohesiveness and to channel disputes away from the California state's court system.

Under Civil Code Sections 5925 through 5965, the form of Alternative Dispute Resolution may be binding or non-binding, and the costs will be borne equally or as agreed to by the parties involved.

Any party to a dispute regarding enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act may initiate the process of ADR by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (3) a notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

If the request is accepted, the ADR must be completed within 90 days of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to the owner of a separate interest must include a copy of Alternative Dispute Resolution, Section 5940.

FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 5940 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.

Should the Association or an individual member wish to file a lawsuit for enforcement of the Association's governing documents, that is solely for declaratory, injunctive, or writ relief, or that relief in conjunction with a claim for monetary damages not in excess of five thousand dollars (\$5,000), the law requires the Association or the individual to file a certificate with the court stating the ADR has been complete prior to the filing of the suit. Failure to file this certificate can be grounds for dismissing the lawsuit. There are limited exceptions to filing of this required certificate when (1) one of the other parties to the dispute refused ADR prior to the filing of the complaint, (2) preliminary or temporary injunctive relief is necessary, (3) small claims actions, or (4) some assessment dispute. Exceptions (1) and (2), however, must also be certified in writing to avoid the courts dismissing the action.

Furthermore, in any lawsuit to enforce the governing documents, while the prevailing party may be awarded attorney's fees and costs, under Civil Code 5960, the court may consider any party's refusal to participate in ADR prior to the lawsuit being filed when it determines the amount of the award.

JOINER VILLAGE HOMEOWNERS ASSOCIATION

Architectural Guidelines

ARCHITECTURAL RULES

1. The Architectural Review Committee may, from time to time, and subject to the Board's approval, adopt, amend, and repeal rules and regulations to be known as Architectural Rules.
2. The Architectural Rules shall interpret and implement the provisions of this section by setting forth the standards and procedures for the ARC to review and guidelines for architectural design, placement of Residences and other structures, color schemes, exterior finishes and materials, and similar features which are recommended for use in the Development; provided, however, that the Architectural Rules shall not be in derogation of the minimum standards required by the CC&Rs.
3. The Architectural Rules may also impose limits on the days and hours of construction and impose any other restrictions and regulations which the Board deems appropriate to limit the impact of construction activities on the Residents.

APPLICATION

1. Any Owner proposing to perform any work of any kind whatever, which requires prior approval pursuant to these rules, shall apply for approval by notifying the Association, in writing on the Joiner Village Home Improvement Application form as provided by the Management Company.
2. The application will include the nature of the proposed work and furnishing such information and documentation as the ARC or Board may require, including without limitation samples of proposed paints in such sizes and formats as the Committee or the Board may deem appropriate.
3. In accordance with the CC&Rs and in addition to any other remedies the Association may have, the Board may impose a fine against any Owner who fails to submit an application, and obtain the required approval thereof, prior to proceeding with any Improvement for which approval is required pursuant to these rules.
4. Any Owner who paints his/her Residence or any other Improvement any color other than the original color without first submitting an application and obtaining the approval required by these rules may be required, in the Board's discretion, to repaint the Residence or Improvement.

FEES

1. The ARC may charge a reasonable fee or fees for its review of architectural or landscaping applications, drawings, plans, and specifications, which may include the cost of retaining outside consultants including but not limited to architects, engineers, soils experts, or contractors.
2. The ARC may require an Owner to post a deposit for major or even minor Improvements when submitting plans to the Committee to ensure compliance with the Architectural Rules and the CC&Rs.
3. The Committee shall establish a schedule or formula for determining a different amount of the deposit, and may require a separate deposit for proposed landscaping improvements.
4. Owners acknowledge that all or a portion of any deposit may be forfeited to the ARC if the Owner fails to properly and timely complete works of Improvement in accordance with approved plans and specification or if an Owner or an Owner's agents cause damage to the Common Area.
5. Prior to any deposit forfeiture, the ARC shall provide the Owner with notice and an opportunity to be heard, in accordance with California Civil Code Section 1363(h).

GRANT OF APPROVAL

1. The Architectural Review Committee shall grant the requested approval only if the Owner has complied with the provision of these rules as stated above, and
 - a. The ARC finds that the plans and specifications conform to both the CC&Rs and the Architectural Rules in effect at the time such plans were submitted to the ARC, unless a variance is granted from such Architectural Rules pursuant to CC&Rs; and
 - b. The ARC determines that the proposed Improvements would be consistent with the standards of the Development and the purposes of the CC&Rs as to quality of

workmanship, design and materials, as to harmony of exterior design with the existing structures, and as to location with respect to topography and finished grade elevations.

FORM OF APPROVAL

1. All approvals and denials of requests for approval shall be in writing and no verbal approval of a request for approval is permitted by any member of the Architectural Review Committee or the Association.
2. The ARC may approve a request for approval subject to the Owner's consent to any modifications made by the ARC.
3. If the Owner does not consent to the modifications, the request for approval shall be deemed denied in its entirety.

APPEAL OF DENIAL TO BOARD OF DIRECTORS

1. If the Architectural Review Committee disapproves an owner's Improvement application, the applicant shall be entitled to request reconsideration by the Association's Board of Directors.
2. The Board shall consider the reconsideration request at a meeting held in accordance with California Civil Code Section 1363.05.
3. The only time this reconsideration by the Board will not be in effect is if the Architectural Review Committee is comprised of the members of the Board of Directors, who make their decision at a Board meeting, in accordance with California Civil Code Section 1378(a)(5).

TIME FOR ARCHITECTURAL REVIEW COMMITTEE ACTION

1. Any request for approval which has not been acted upon by the Architectural Review Committee within forty-five (45) days from the date of receipt in the Management Office shall be deemed approved.
2. The Owner requesting approval shall have the burden of establishing the date of receipt of the request for approval by the Architectural Review Committee.
3. Proof may be in the form of either a copy of such request for approval date-stamped by the Association or by a return receipt provided by the USPS acknowledging that such request for approval was delivered to the Association.

COMMENCEMENT

1. Upon receipt of approval pursuant to these rules, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all installation, construction, reconstruction, refinishing, alterations, and excavations pursuant to such approval.
2. The approved project must commence, in all cases, within ninety (90) days from the effective date of such approval or upon such later date as the Board may in its discretion designate.

3. If the Owner shall fail to comply with this section, any approval previously given shall be deemed revoked unless the Board, upon written request of the owner made prior to the expiration of the time for commencement, extends the time for such commencement.
4. No such extension shall be granted except upon a finding by the Board that there has been no change in the circumstances upon which the original approval was granted.

COMPLETION

1. The Owner shall, in any event, complete the approved Improvement within one (1) year after commencing construction thereof.
2. The exception to the above stated completion requirement will be in the case such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his agents.
3. If an Owner fails to comply with these completion requirements, the Board shall proceed as though the failure to complete the Improvements was a non-compliance with approved plans.

INSPECTION

1. Inspection of work and correction of defects therein shall proceed as follows:
 - a. Upon the completion of any installation, construction, reconstruction, alteration, or refinishing of the exterior of any Improvements, or upon the completion of any other work for which approved plans are required under these rules, the Owner shall give written notice thereof to the Architectural Review Committee on the form provided by the Management Office called Notice of Completion.
 - b. Within sixty (60) days after the receipt of such written notice, the ARC, or its duly authorized representative, may inspect such Improvement determine whether it was installed, constructed, reconstructed, altered, or refinished to substantial compliance with the approved plans.
 - c. If the ARC finds that such work was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty (60) day period, specifying particulars of non-compliance and shall require the Owner to remedy such non-compliance.
 - d. If the Owner shall have failed to remedy such non-compliance upon the expiration of thirty (30) days from the date of such notification, the ARC shall notify the Board in writing of such failure.
 - e. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-compliance.
 - f. The hearing date shall be no more than thirty (30) days nor less than fifteen (15) days after notice of the non-compliance is given to the Board by the ARC.
 - g. Notice of the hearing date shall be given at least ten (10) days in advance by the Board to the Owner, to the Architectural Review Committee and, in the discretion of the Board, to any other interested party.
 - h. At the hearing, the Owner, the ARC and in the Board's discretion, any other interest person, may present information relevant to the question of the alleged non-compliance.

- i. After considering all such information, the Board shall determine whether there is a non-compliance and, if so, the nature thereof and the estimated cost of correcting or removing the same.
- j. If a non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board's ruling.
- k. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying Improvement or remedy the non-compliance and all expenses incurred in connection therewith shall be assessed against the Owner as a Reimbursement Assessment.
- l. If, for any reason, the ARC fails to notify the Owner of any non-compliance within sixty (60) days after receipt of a Notice of Completion from the Owner, the Improvement shall be deemed to be in accordance with the approved plans.
- m. The Owner shall have the burden of establishing the date of receipt of the Notice of Completion by the Architectural Review Committee by evidence in the form of either a copy of such notice date-stamped by the Association's Management Office or by a return receipt provided by the USPS acknowledging that such notice was delivered to the Association.

NON-WAIVER

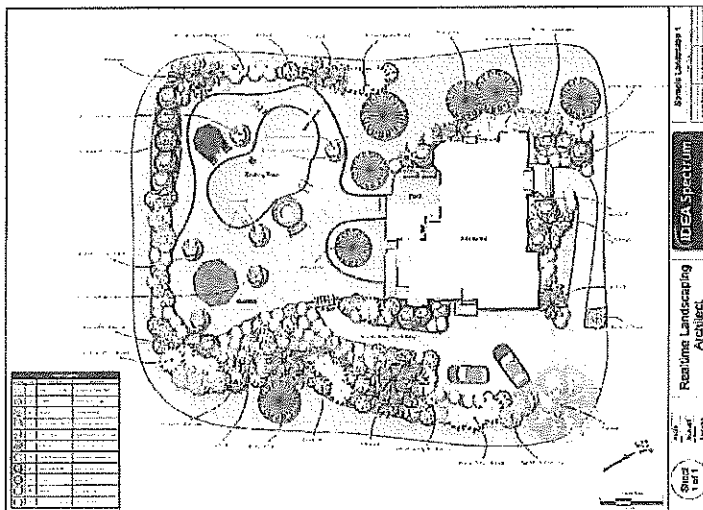
1. The approval by the Architectural Review Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the ARC under the CC&Rs or these rules, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

HOME IMPROVEMENT APPLICATION INSTRUCTIONS

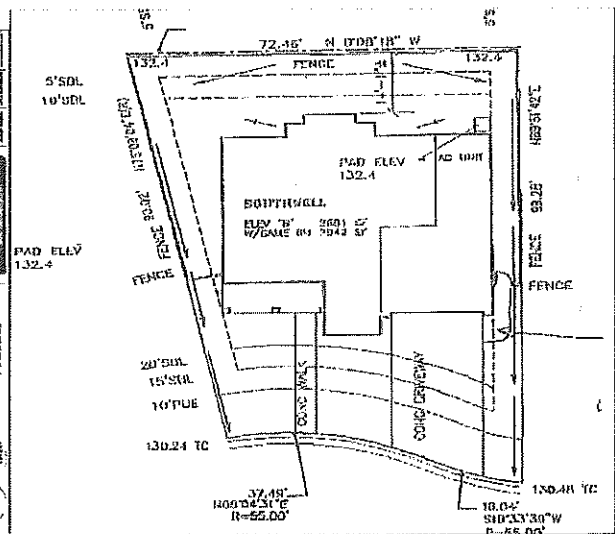
Work may not begin prior to the Committee or HOA Board approval.

The following items, if applicable, must be included with your Home Improvement Application or it will be considered incomplete!

- Landscape plan including location and species of all plantings and other materials to be used
- Neighbor signatures (if required)
- Color, finish and dimensions of proposed concrete, brickwork, rock beds, sod, fences and or/walls.
- For concrete, please include setbacks from neighboring property lines as well as the existing drainage pattern. If the existing drainage pattern will be altered, a new drainage plan must be submitted for review.
- Color photographs from several angles of the area the improvement is to be made
- Product brochure of exterior décor items, structures, doors etc.
- Site-plan and detailed drawing showing the existing structure, fence lines, property lines and all proposed improvements (see example below)
- Photographs from several angles of area the improvement is to be made
- Photographs of existing structure or work that has already been completed
- Homeowners are responsible for checking with the City to see if their project requires building permits. In some cases, the Association may require a copy of the City approved building permit.



(Sample Landscape Plan)



(Sample Site Plan)

Failure to obtain prior written approval prior to commencement of construction or installation of any modification shall constitute a violation of the CC&Rs and may include possible fines and/or other consequences.

Please **MAIL** your completed Home Improvement Application and all corresponding information to the management company:

Landmark Limited
Attn: Home Improvement Dept.
1731 E. Roseville Pkwy., Suite 100
Roseville, CA 95661

For questions or to follow up to ensure your application has been received, please email homeimprovements@landmarklimited.net or call (916) 746-0011

Joiner Village Homeowners Association

HOME IMPROVEMENT APPLICATION

NOTE: No work may begin prior to Committee or HOA Board approval.
All applications must be submitted with drawings, sketches, pictures, etc. If the application is submitted incomplete it will be returned so that it may be submitted completed. All applications must be submitted with a plan/sketch (drawn to scale) showing the exact location of the specified improvements and details including dimensions, type of materials to be used and photos showing the design and color. Work may not begin prior to the Committee or HOA Boards approval. A decision on an application may take up to 45 days from the date the application is processed.

In consideration of your neighbors, please restrict the hours of construction to
8:00 a.m. until 6:00 p.m. only.

NAME: _____ DATE: _____

ADDRESS: _____ LOT NO: _____

PHONE: (H) _____ (W) _____ PROPOSED COMPLETION DATE: _____

E-MAIL: _____

TYPE OF ARCHITECTURAL AND/OR LANDSCAPING IMPROVEMENT

MODIFICATIONS/ADDITIONS:

- ___ Remodeling/Additions
- ___ Garage Doors/Exterior Doors
- ___ Driveway/Walkways
- ___ Gazebos/Sheds/Play Equipment
- ___ Greenhouses/Sun Rooms
- ___ Swimming Pool/Spa/Solar Panels
- ___ Decks/Patios
- ___ Arbors/Overhangs
- ___ Dog Houses/Runs
- ___ Fences/Fence Additions
- ___ Retaining Walls
- ___ Landscaping Front yard ___ and/or
- ___ Backyard ___ (plant location & species required)

Is material same color and type as your house?

___ Yes ___ No

Materials to be used:

___ Wood ___ Stucco ___ Brick
___ Stone ___ Concrete
___ Other _____

(Please specify color and include a color sample)

Painting:

___ Repaint house same color
___ Repaint house NEW color
(Attach paint color samples for stucco, trim & facia)

ADDITIONAL COMMENTS: _____

Acknowledgement of all neighbors who will be affected by your alterations/improvements is required. To expedite the processing of your application, please show and explain your plans to all those neighbors who will be affected and have them sign in the appropriate place below.

NEIGHBOR ACKNOWLEDGMENT: I have reviewed the plans of the proposed addition of _____ and am aware of all their proposed alterations/improvements shown on the attached plan.

ADDRESS	NAME (PRINT)	SIGNATURE	PHONE #	DATE

GENERAL CONDITIONS OF APPROVAL:

1. Comply with Covenants, Conditions and Restrictions, final Subdivision Map, and established Design Guidelines previously approved by the Board of Directors.
2. Obtain all necessary governmental approvals. Construction shall comply with applicable laws, ordinances, codes and regulations within the City of Lincoln. A permit may be required.
3. If construction waste or excavation material results, it shall be disposed of properly. Adjoining properties are not to be disturbed.
4. No construction materials or debris of any type shall be stored or dumped on any street within the development.

The undersigned applicant requests approval of the improvements described above based upon the plans included with this application. Applicant understands and agrees to comply with general conditions stated above.

X _____
OWNER SIGNATURE

TODAY'S DATE

RETURN APPLICATION AND PLANS BY MAIL OR EMAIL TO:

Joiner Village HOA
C/o Landmark Limited
1731 E. Roseville Pkwy. Suite 100
Roseville, CA 95661

E-MAIL: Homeimprovements@landmarklimited.net

If you have any questions, please call Landmark Limited: (916) 746-0011

JOINER VILLAGE – ARCHITECTURAL REVIEW COMMITTEE

(For Association Use only)

___ APPROVED ___ NOT Approved ___ Conditionally Approved

COMMENTS: _____

By: _____ Date: _____

FINES AND SUSPENSIONS

Introduction. In the event the Board of Directors or Judicial Committee levies a Monetary Penalty, suspends an Owner's voting rights, or right to use the Common Areas for any violation of the Governing Documents, such discipline shall be determined by the provisions of this section.

Payment of Monetary Penalty. Owners shall have fifteen (15) DAYS from receipt of Notice from the Association in which to pay any Monetary Penalty. There is a late charge equal to ten percent (10%) of the Penalty for any Penalty not paid within fifteen (15) days after it becomes due. There is an interest charge on any unpaid Penalty at a rate of twelve percent (12%) per annum. The Association may commence legal action to collect any unpaid Penalty, late charge, and interest from the delinquent Owner with such delinquent Owner liable for all attorney's fees and court costs attributable to such collection action.

Suspension of Membership Rights. The Association may suspend the voting rights of a Owner or rights of Residents/Occupants to use the Common Area for violations of the Governing Documents. The suspension of any Owner's voting rights shall conform to Section 8.2 of the CC&R's. The suspension of any Owner's right to use any portion of the Common Area includes the suspension of all Occupants of such suspended Owner's unit. Occupants of a suspended Owner's Unit are prohibited from using the Recreational Facility as "Guests" of another Owner during the period of suspension.

Monetary Penalties. The Penalties to be levied for violations of the Governing Documents along with a citation of the provision violated, and the time period for Owners to correct the cited violation, is listed in this Section.

STANDARD FINES

- | | | |
|----|--|-------|
| 1. | FIRST FINE for any violation | \$100 |
| 2. | 2 nd Fine for same violation within 15 months of first violation | \$200 |
| 3. | 3 rd Fine for same violation within 15 months of first violation | \$300 |
| 4. | Each additional violation for same violation within a 15 month period of the first violation | \$400 |

Recreational Facility Penalties. Violations of Community Rules regarding the Recreational Facility shall result in the temporary suspension of an Owner's right to use the Recreational Facility for a period of thirty (30) consecutive days. The use of the Recreational Facility by a suspended Owner or such suspended Owner's family shall be subject to a \$100.00 fine per occurrence.

CIVIL CODE 4950 –Open Meeting Act – Members rights to minutes

The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the board of directors of an association, other than an executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member of the association upon request and upon reimbursement of the association's costs for making that distribution.

Members of the association shall be notified in writing at the time that the pro forma budget required in Section 5300 is distributed, or at the time of any general mailing to the entire membership of the association, of their right to have copies of the minutes of meetings of the board of directors, and how and where those minutes may be obtained.

Members wishing copies of meeting minutes should contact management by emailing corporate@landmarklimited.net. At that time the member will be advised of the cost for the meeting minute copies.

SAFETY SECURITY & SECONDARY ADDRESS DISCLOSURE

SAFETY AND SECURITY DISCLAIMER

The Associations duty does not include security or privacy for the property, the owners, the residents, any invitees or any person or property located within the development. Nor does the Association make any representations or warranties concerning security, privacy and/or safety of the property, the owners, the residents, any invitees or any persons or property located within the development.

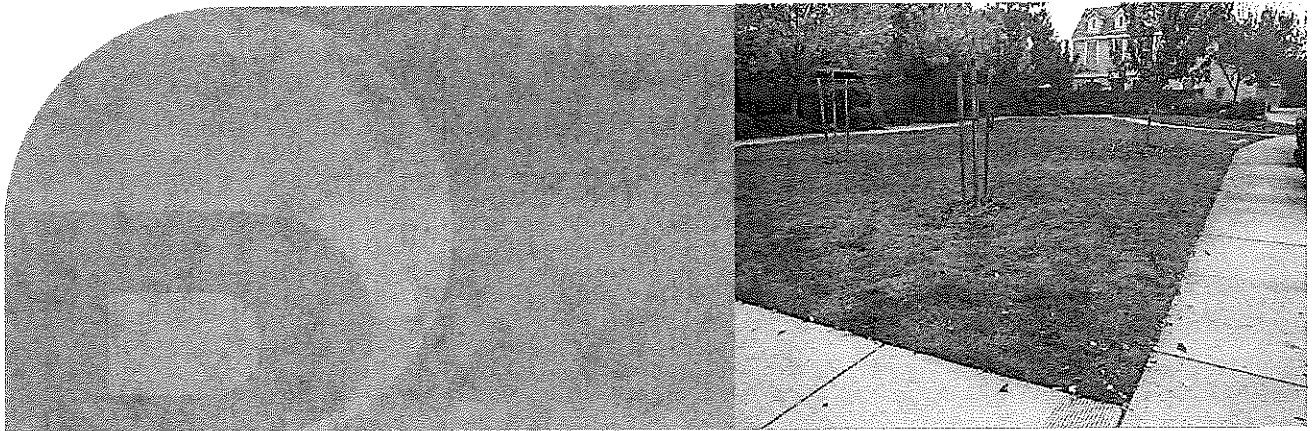
Regardless of whether there are access control devices (gates, etc) installed and operated in the common area of the development or access control personnel employed or engaged by the Association. Residents or guests should provide for their own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; refusing to open your door to strangers; be aware of your surroundings, asking workmen for identification; installing a security system; locking your car; keep your car interior free of desirable items, etc.

NOTICE OF SECONDARY ADDRESS

It is a requirement that your association notify its owners of their right to submit a secondary address for collection notices. The following information is being provided to you to satisfy that requirement. Please be sure that you refer to the statutes for more complete information.

Civil Code 4040 Assessments; Debt of Owner; Payments; Disputes as to Debt; Procedure; Enforcements of Lien; Penalty; Priority of Lien; Under Code of Civil Procedure; Correction of Errors; Application of Section

(b) Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the association shall send additional copies of any notices required by this section to the secondary address provided. The association shall notify owners of their right to submit secondary addresses to the association, at the time the association issues to pro forma operating budget pursuant to Section 5300. The owner's request shall be in writing and shall be mailed to the association in manner that shall indicate the association has received it. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the association shall only be required to send notices to the indicated secondary address from the point the association receives the request.



RESERVE STUDY

Member Distribution Materials

Joiner Village Homeowners Association

Update w/o Site Visit Review

2020 Update

Published - April 11, 2020

Prepared for the 2021 Fiscal Year

Section	Report	Page
California:	Member Summary	1
	Assessment and Reserve Funding Disclosure Summary	[Civil Code §5570] 3
Section III:	30 Year Reserve Funding Plan	Cash Flow Method {c} 5

Professionally managed by
Landmark Limited, LLC Roseville
(916) 746-0011

Browning Reserve Group
www.BrowningRG.com

April 11, 2020

This is a summary of the Reserve Study that has been performed for Joiner Village Homeowners Association, (the "Association"). This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group prepared this Update w/o Site Visit Review for the January 1, 2021 - December 31, 2021 fiscal year.

Joiner Village Homeowners Association is a Planned Development with a total of 96 Lots.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Joiner Village Homeowners Association
California Member Summary
2020 Update
Prepared for the 2021 Fiscal Year

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2020 Fully Funded Balance</i>	<i>2021 Fully Funded Balance</i>	<i>2021 Line Item Contribution based on Cash Flow Method</i>
01000 - Paving	113,055	5-25	1-10	70,856	79,741	9,905
02000 - Concrete	13,289	10-10	1-1	11,960	13,621	1,663
03000 - Painting: Exterior	4,787	5-5	1-1	3,830	4,907	1,198
11000 - Gate Equipment	4,526	30-30	15-15	2,263	2,474	267
18000 - Landscaping	19,590	1-20	0-9	12,835	11,798	4,482
19000 - Fencing	35,588	10-18	2-3	29,518	32,472	2,830
19500 - Retaining Wall	15,726	25-25	10-10	9,435	10,316	983
20000 - Lighting	23,929	30-30	15-15	11,965	13,081	1,410
26000 - Outdoor Equipment	2,093	18-18	3-3	1,744	1,907	153
31000 - Reserve Study	1,230	3-3	1-1	820	1,261	513
Totals	\$233,813			\$155,225	\$171,578	\$23,405
Estimated Ending Balance				\$27,638	\$9,436	\$20.32
Percent Funded				17.8%	5.5%	/Lot/month @ 96

April 11, 2020

- (1) The regular assessment per ownership interest is _____ per month for the fiscal year beginning January 1, 2021.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached summary.

- (2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
N/A	\$0.00	N/A
Total:	\$0.00	

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

- (3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes ☒ No ☐

This disclosure has been prepared by Browning Reserve Group and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.

- (4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	N/A

- (5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

- (6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$155,225, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group as of April, 2020. The projected reserve fund cash balance at the end of the current fiscal year is \$27,638 resulting in reserves being 17.8% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2021	\$171,578	\$9,436	5.5%
2022	\$152,921	\$26,446	17.3%
2023	\$167,825	\$12,996	7.7%
2024	\$150,999	\$35,014	23.2%
2025	\$169,106	\$60,934	36.0%

If the reserve funding plan approved by the association is implemented, the projected fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, 2.50% per year was the assumed long-term inflation rate, and 2.50% per year was the assumed long-term interest rate.

Additional Disclosures

§5565(d) The current deficiency in reserve funding as of December 31, 2021 is \$1,689 per ownership interest (average).

This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.

$$\text{Deficiency} = \frac{\text{2021 Fully Funded Balance} - \text{2021 Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

§5300(b)(4) The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years.

Major Component:	Justification for Deferral:
N/A	N/A

§5300(b)(5) The board of directors as of the date of the study does not anticipate the levy of a special assessment for the repair, replacement, or restoration of the major components.



Browning
RESERVE GROUP

Section III

Joiner Village Homeowners Association

30 Year Reserve Funding Plan Cash Flow Method

2020 Update

Prepared for the 2021 Fiscal Year

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Balance	11,310	27,638	9,436	26,446	12,996	35,014	60,934	62,892	90,252	122,026
Inflated Expenditures @ 2.5%	4,505	42,064	10,349	42,199	8,249	6,424	32,287	8,884	6,918	15,307
Reserve Contribution	20,352	23,405	26,916	28,262	29,675	31,159	32,717	34,353	36,071	37,875
<i>Lots/month @ 96</i>	17.67	20.32	23.36	24.53	25.76	27.05	28.40	29.82	31.31	32.88
<i>Percentage Increase</i>	15.0%	15.0%	15.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	481	458	443	487	593	1,185	1,529	1,891	2,621	3,333
Ending Balance	27,638	9,436	26,446	12,996	35,014	60,934	62,892	90,252	122,026	147,927

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Beginning Balance	147,927	34,882	18,070	42,064	69,641	100,215	89,625	84,275	114,591	145,446
Inflated Expenditures @ 2.5%	155,070	53,966	13,248	10,302	8,022	49,434	43,996	8,639	8,855	11,947
Reserve Contribution	39,769	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
<i>Lots/month @ 96</i>	34.52	31.68	31.68	31.68	31.68	31.68	31.68	31.68	31.68	31.68
<i>Percentage Increase</i>	5.0%	-8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	2,257	654	742	1,379	2,097	2,344	2,147	2,455	3,210	3,943
Ending Balance	34,882	18,070	42,064	69,641	100,215	89,625	84,275	114,591	145,446	173,942

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Beginning Balance	173,942	205,827	121,000	140,681	171,010	201,844	229,817	218,951	250,184	278,287
Inflated Expenditures @ 2.5%	9,304	125,361	20,050	10,019	10,269	13,855	52,907	11,059	14,921	25,083
Reserve Contribution	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
<i>Lots/month @ 96</i>	31.68	31.68	31.68	31.68	31.68	31.68	31.68	31.68	31.68	31.68
<i>Percentage Increase</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	4,689	4,035	3,231	3,848	4,603	5,329	5,540	5,792	6,524	7,100
Ending Balance	205,827	121,000	140,681	171,010	201,844	229,817	218,951	250,184	278,287	296,805



LINCOLN VILLAGE

**JOINER VILLAGE HOMEOWNERS
ASSOCIATION, INC.**

Rules & Regulations

Adopted January 2006

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PREFACE

This handbook has been compiled by your Homeowners Association to outline the operating procedures of the Association and to provide other information about your Association's Common Areas.

JOINER VILLAGE HOMEOWNERS ASSOCIATION, INC.

The purpose of your Association is to protect, maintain and enhance the Association's property. The Association concept is an ingenious device for engaging able people to manage the community's assets. The advantage of a planned development is that those with a vested interest in the community's welfare retain the authority, as well as the responsibility for maintaining the property. A planned development helps ensure that the original planning concepts and design that went into creating the community are preserved, protected, maintained and enhanced.

Each owner has received a copy of the Declaration of Covenants, Conditions and Restrictions (CC&R's), Bylaws and the Articles of Incorporation for the Joiner Village Homeowners Association. These are the governing documents along with the Rules and Regulations and Architectural Review Guidelines, which are periodically updated and distributed by your Board of Directors. Please become completely familiar with these publications, since they set forth in detail, the rights, duties and obligations of each owner.

These Rules and Regulations supplement the CC&R's and Bylaws. The CC&R's, Bylaws, Articles of Incorporation and Rules & Regulations are collectively called the "Governing Documents."

**PLEASE READ THIS INFORMATION CAREFULLY AND BE CERTAIN
THAT YOUR FAMILY, GUESTS AND TENANTS
UNDERSTAND AND OBEY
THE RULES AND REGULATIONS ENTIRELY.**

If there are any questions, or if you do not have copies of the Association's documents, please contact the Management Company in writing:

**Joiner Village Homeowners Association
c/o Landmark Limited, LLC
1731 East Roseville Parkway, Suite 100
Roseville, California 95661
corporate@landmarklimited.net**

In order to maintain a responsible and successful community, the Governing Documents must be observed. They ensure the enjoyment of your community.

GENERAL INFORMATION

The purpose of your Homeowners Association is to operate and maintain the community and assets of the Association for the mutual benefit of all homeowners. Your cooperation is essential in order to accomplish these purposes, and common sense and consideration for your neighbors are the keys to its success.

**Each homeowner is a part of the
JOINER VILLAGE HOMEOWNERS ASSOCIATION.
Owner participation is both necessary and encouraged.
Residential responsibility, cooperation and action have many rewards.**

One is that the community continues to be a showcase long after all the homes are sold because the quality of the community is preserved, maintained and enhanced.

The Homeowners Association is governed by a Board of Directors (Board), which meets regularly to make decisions pertaining to Common Area matters and conduct the business of the Association.

Common Areas within the community include all space not designated as an individual unit and include such areas as common landscaping, streets, medians, commonly owned fences and walls, recreational facilities and private storm drains. The responsibility of the Board of Directors is to protect, maintain and enhance all Common Area property.

COMMON AREA PROBLEMS

To report problems related to the Association's Common Area (such as landscaping, street problems, etc.) contact:

**Joiner Village Homeowners Association
c/o Landmark Limited, LLC
1731 East Roseville Parkway Suite 100
Roseville, California 95661
916-746-0011 * FAX 916-740-0088 *
corporate@landmarklimited.net**

ANNUAL MEETINGS

The Annual Meeting of the owners shall be held on a date set by the Board of Directors.

**PLEASE PLAN TO ATTEND THE ANNUAL MEETING OF OWNERS
(or submit your Proxy designating another person to vote on your behalf).**

The voting Proxy and notice of date, time and location of Annual Meetings of owners will be mailed to all owners of record prior to the meeting. In order to establish a quorum so that business can be conducted, it is imperative that the homeowners either attend in person or submit their Proxy.

REGULAR BOARD OF DIRECTOR MEETINGS

The Board of Directors shall hold regular meetings at such time and place as a majority of the directors shall determine, but the Board shall meet at least four (4) times during each fiscal year with at least one meeting each quarter.

Members of the Board or any committee the Board designates may participate in a Board or committee meeting by conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Board, other than executive session, shall be available to any Owner upon request and upon reimbursement of the Association's costs for making that distribution within 30 days of the meeting.

Consultants have been employed to guide and assist the Board in fulfilling their responsibilities. Consultants are generally employed in the following areas:

- Legal
- Finance
- Insurance
- Building Maintenance
- Landscape Maintenance

During certain months of the year, each of the consultants will meet with the Board of Directors to review a particular topic to ensure that all Directors have a clear understanding of what needs to be done, and to ensure that the Association is operating well.

Owners will be notified of the date, time and location of all meetings of the Board and all legal owners are encouraged to attend. With the exception of Executive Sessions, Regular and Special Meetings of the Board of Directors are open for **observation** to all homeowners. Homeowners who are not on the Board, however, may not participate in any deliberation or discussion except as authorized by the Board's rules of parliamentary procedure and its agenda.

Residents may request the Board to address a specific topic at their next meeting by submitting a letter (or e-mail) to the Management Company requesting the item of discussion be placed on the Agenda. The nature of all business to be considered in Executive Session shall first be announced in open session.

FINANCIAL AUDIT OR REVIEW

An independent financial audit or review, determined by the Board of Directors, is prepared at the end of each fiscal year and is mailed to the owners of record upon completion.

INSURANCE INFORMATION

The Association complies with the Davis-Stirling Common Interest Development Act regarding the types of insurance it carries and will notice all owners regarding insurance coverage. All Owners will receive written notice of insurance coverage annually or if the Association's insurance coverage changes.

The Association carries property, general liability, and Directors and Officers liability insurance. Any Association owner may upon request and payment of duplication charge obtain copies of those policies. Association owners should consult with their individual insurance broker for appropriate additional coverage.

ASSESSMENT PAYMENTS AND COLLECTIONS

Assessment payments are the life-blood of any Homeowners Association. The Association simply cannot protect the value of the owners' property unless it has funds to maintain the Community. The only significant source of funds for the Association is the monthly assessment paid by all owners (the Association receives a small amount of interest income, and occasional income from other sources, but it is nominal). If assessment payments are not made or otherwise collected, the Association cannot function.

The assessments that you pay are not actually "income" to the Association. Instead, this money is essentially held in trust to maintain the community on your behalf. While the Board of Directors has some discretion regarding Association funds, both the law and the Governing Documents primarily regulate use of the funds. Basically, the Association is required to evaluate the Common Area items it is required to maintain and set aside money for the major components of the common area in a "reserve" account. The reserve accounts are funded monthly, so that when it becomes necessary to perform repairs or reconstruction consistent with its reserve study, such as paving streets, the funds are available. The Association has a professional consultant who reviews the reserves annually and makes recommendations for adjustments for inflation and other changes in costs. The Association is also required to review and adjust its reserve study periodically.

Because assessments are so important, and since failure by any one owner to pay assessments is essentially paid by every other owner in the community, the Association has adopted a strict policy regarding assessment collection. In accordance with applicable laws, if you fail to pay your assessments, a lien may be filed against your property, your home may be sold in a foreclosure sale, you may be sued personally for the past due assessment, and your assets and wages may be attached to satisfy the debt. If you anticipate a delay in any assessment payment, notify the Association in advance by calling the Management Company. In addition, delinquent owners will be required to pay all costs of collection, including attorney fees.

REIMBURSEMENT ASSESSMENTS

The Association shall levy a Reimbursement Assessment against any Owner and his or her Lot for the following:

- I. If a failure by such Owner, or any person or pet for whom the owner is responsible, to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such Owner or his Lot into compliance; or
 - II. In the event that the Association has expended funds performing repairs as authorized by sections in the CC&R's or the rules herein or for any other reasons specifically authorized by the provisions of the Governing Documents.
2. A Reimbursement Assessment shall include any costs, including attorneys' fees, incurred by the Association, including costs of collecting from an Owner any amount that the Owner is obligated to pay to the Association.
 3. A Reimbursement Assessment shall be due and payable to the Association when levied.

ENFORCEMENT ASSESSMENTS

1. The Board may levy an Enforcement Assessment (and any fine imposed by the Board in accordance with the provisions of the Governing Documents shall be deemed to be such an Enforcement Assessment), for violation of any of the provisions of the Governing Documents.
2. Any Enforcement Assessment shall be due and payable to the Association when levied.

DELINQUENCY POLICY REGARDING PAYMENT OF ASSESSMENTS

If an Owner does not pay his or her assessments on time, the Association may foreclose its lien on the Owner's Unit, causing it to be sold to pay the past due assessments. The association may also sue an Owner in court to recover past due assessments.

The following statement describes the Association's policies and practices in enforcing lien rights and other penalties for default in assessment payments as required by Civil Code Section 5650.

THE ASSOCIATION WILL SEND WRITTEN NOTICE WHEN ASSESSMENTS ARE DUE.

IT IS THE ASSOCIATION'S STRICT POLICY TO RECOVER ALL COSTS OF COLLECTION FROM THE DELINQUENT OWNER.

1. All regular assessments are due and payable in advance, in equal monthly installments. Regular assessments shall be due and payable on the first day of each calendar month. In the case of a special assessment, payment is due on the date specified by the Board of Directors.

2. Regular and special assessments are delinquent if not paid within fifteen (15) days after the due date. The Association may impose late fees up to ten percent (10%) of the outstanding assessment, or \$10.00, whichever is greater.
3. If assessment payments are not made within thirty (30) days after they have become due, the Association may impose interest charges on the outstanding assessment payments at the rate of up to twelve percent (12%) per annum.
4. The Association will refer all past due assessments to its attorney for collection. Collection activity may include the filing of a lien against the delinquent owner's property and conducting a foreclosure sale to recover the past due assessments. The Association may also file a lawsuit against the owner who is personally obligated to pay the delinquent assessment and may enforce the judgment to collect the past due assessments by attaching wages, bank accounts, and other assets.
5. If a lawsuit or foreclosure procedure is initiated by the Association to recover assessments, the Association is entitled by law (Civil Code Section 1366(e)) and by the CC&R's to recover the amount in default, as well as late charges, interest, and reasonable costs of collection, including attorney fees. Fees and costs incurred, which are in addition to the outstanding assessments, will not be waived, except as permitted under the CC&R's.
6. Payments received on delinquent assessments will be applied to the owner's account as covered by law and Association policy.
7. In any dispute between an Owner and the Association about the payment of assessments, the Owner may dispute the debt and request a meeting with the Association to determine whether the debt is valid and whether an installment payment plan can be arranged to satisfy the demand for payment of the delinquent assessment. The law requires certain procedures for both the Association and the delinquent homeowners to follow for this meeting to occur. These procedures include deadlines for various preliminary actions by both parties. These include, among other requirements:
 - i. written notice of pending assessment collection action by certified mail by the Association to the Owner not sooner than 30 days prior to the recording of any assessment lien against the homeowner's lot;
 - (ii) written notice to the Board by the Owner, within 15 days of the postmark of the Association's notice, providing an explanation for the homeowner's reasons for the dispute;
 - (iii) written response by the Board to the Owner within 15 days of the postmark of the homeowner's explanation, if the Owner's explanation was mailed within 15 days of the postmark of the Association's notice;

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- (iv) written notice by the delinquent homeowner to the Association, not later than 15 days of the postmark of the Association's notice, requesting the meeting; and,
 - (v) the scheduling of the meeting with either the Board of Directors or a committee of the Association not later than 45 days of the postmark of the homeowner's request. Nothing in these rules or the law requires the Association to enter an installment payment plan with an Owner.

8. If you have any questions regarding this policy, or if you anticipate any difficulty paying your assessments, you should contact the Management Company, in writing, at the following address:

**Joiner Village Homeowners Association
c/o Landmark Limited, LLC
1731 East Roseville Parkway Suite 100
Roseville, California 95661
corporate@landmarklimited.net**

GENERAL RULES AND REGULATIONS

INTRODUCTION

The information contained herein is issued by the Board of Directors as authorized by the governing documents of the Homeowners Association. This is a **supplement** to the CC&R's and Bylaws. In the event of any conflict between these Rules and Regulations and the aforementioned documents, the provisions of the CC&R's and Bylaws shall prevail.

The Rules and Regulations are intended as a guide to the conduct and activities of all Owners, tenants, residents and their guests. Each owner or resident living within the Community and using the facilities is entitled to maximum pleasure without annoyance or interference from others.

The Community property falls under the jurisdiction of the City of Waterford and all Ordinances and Codes apply. Each home shall be used for residential and associated non-commercial use. Conducting a business on the premises is forbidden; except for activities that comply with zoning ordinances and the CC&R's, such as home offices in certain cases.

CHANGES IN RULES AND REGULATIONS

Except as required by law, the Board of Directors may, in accordance with the CC&R's and the Bylaws, alter, amend, revoke or add to these Rules and Regulations for the preservation of safety and order within the community, for its care and cleanliness, and for the protection of the community's common area. When notice of any such alteration, amendment, revocation or addition is given to any owner or resident it shall have the same force and effect as if originally made a part of the Rules and Regulations.

Owners, including absentee Owners, are responsible for ensuring their tenants and guests abide by these Rules and Regulations.

***OWNERS MUST PROVIDE A COPY OF THESE
RULES AND REGULATIONS TO THEIR TENANTS.***

OWNER COMPLIANCE

All Owners are required to abide by the Governing Documents. If an Owner fails or refuses to obey the governing Documents, the Owner may be subject to various penalties including fines and the loss of the right to use the Common Areas.

Every Owner, occupant, and visitor to a Unit must comply with the Governing Documents and shall be subject to sanctions for violations as described in this chapter. In addition, each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents

by the occupants of or visitors to their Units and for any damage to the Common Area that such occupants or visitors cause.

VIOLATIONS OF THE RULES AND REGULATIONS

It is the right and duty of each resident to report violations, in writing (or e-mail) to the Management Company. The Management Company, following the policies established by the Board of Directors, will bring indications of, or actual violations to the attention of the owner and resident in writing. For failure to correct the violation, the owner could be subject to a special assessment. Further failure to correct the violation may cause legal action to be taken. All expenses incurred by the Association to correct the violation will be the responsibility of the owner and they will be billed.

Please read these Rules and Regulations carefully. If you unknowingly break any rule, and the Management Company or Board brings it to your attention, please respect their wishes, as they are acting on behalf of the Association. Please contact the Management Company if you have any further questions.

For the Association to make corrective actions, any owner or resident may report violations in writing to the Management Company. The Association's Management Company also conducts periodic inspections in the Joiner Village community, but it can only do an effective job with the assistance of these other reports.

ENFORCEMENT OF GOVERNING DOCUMENTS

One of the primary functions of the Association is to ensure that all owners and tenants observe the policies and procedures set forth in the Governing Documents. The objective of enforcement of the Rules and Regulations is to preserve the value of the community, as well as to ensure that owners and tenants are treated fairly and uniformly, and that everyone knows the enforcement procedure.

The Association will make an effort to identify violations of the Rules and will notify owners in writing if a violation is observed. Owners are encouraged to report any violations that are observed, since violations of the Governing Documents ultimately become an expense to all owners. In the vast majority of cases, a simple reminder or courtesy notice is all that is necessary to resolve the violation.

In the unusual instance when a violation of the Rules cannot be easily resolved, the Association has adopted a strict policy of uniform, consistent enforcement of all violations that are brought to the Association's attention. Since violation enforcement is a cost that is borne by all of the owners in the community, the Association will make every effort to recover the costs of enforcement from the owner involved.

GOVERNING DOCUMENTS ENFORCEMENT POLICY

The following describes the enforcement procedures that will be followed in response to a violation of the Governing Documents. To guarantee that the Governing Documents are applied fairly and consistently, the Association has set forth this procedural policy of enforcement. It is the policy of the Association not to discriminate among owners.

Every Owner, occupant, and visitor to a Unit must comply with the Governing Documents and shall be subject to sanctions for violations. In addition, each Owner shall be responsible for, and may be sanctioned for all violations of the Governing Documents by the occupants of or visitors to their Units and for any damage to the Common Area that such occupants or visitors cause.

The Association, the Founder, and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents.

1. If you are thought to be in violation of the Governing Documents of the Association, the Management Company will send you a courtesy notice notifying you of the violation, and asking you to correct the problem.
2. If you do not correct the violation promptly, or if you do not otherwise respond to explain the situation, the Management Company will send a second letter or Final Notice asking again that you correct the violation.
3. If the violation is still not corrected within ten (10) days of the Final Notice, you will receive a notice from the Management Company by certified mail stating an Executive Session Hearing has been scheduled before the Board of Directors or the Association's Judicial Committee.
4. For any activity or condition that the Association considers to be a threat to the health or safety of other residents, the Association may take immediate action to alleviate the health and/or safety concern and then give notice of the violation.
5. After written notice and an opportunity for a hearing in accordance with the Governing Documents, the Board may:
 - i. Impose reasonable monetary fines. In the event that any occupant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine may, but need not, first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the board, the Owner shall pay the fine upon notice from the Board;
 - ii. Suspend an Owner's right to vote (except that no hearing is required if the Owner is more than 90 days delinquent in paying any Base or Special Assessment);
 - iii. Suspend any Person's right to use any Common Area facilities (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation (except that no hearing is required if the Owner is more than 60 days delinquent in paying any

assessment or other charge owed the Association); provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

- iv. Suspend services the Association provides (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to the Association);
- v. Exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including removing personal property that violates the Governing Documents);
- vi. Without liability to any Person, preclude any contractor, subcontractor, agent employee, or other invitee of an Owner who fails to comply with the terms and provisions of the Design Guidelines from continuing or performing any further activities in Joiner Village;
- vii. Charge to and recover from any Owner the costs which the Association incurs in (A) bringing the Owner's Unit into compliance with the Community-Wide Standards or other requirements under the Governing Documents; and (B) repairing damage to the Common Area or another Owner's Unit resulting from the negligence or misconduct of such Owner or any occupant or guest of such Owner's Unit. Pursuant to California Civil code Section 1367(b), the Association shall have the right to file a lien against the owner's Unit to secure its right to recover the costs described in Section 8.2 (a)(vii)(B) of the CC&R's; however, any enforcement of such lien shall be permitted only if there are no Units which are subject to the jurisdiction of DRE under a final subdivision public report; and
- viii. Record a notice of violation with respect to any Unit on which a violation exists.

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The Board may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing in accordance with the Governing Documents:

- i. Exercise self-help or take action to abate a violation on a Unit in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations);
- ii. Exercise self-help or take action to abate a violation on the Common Area under any circumstances;
- iii. Require an Owner, at its own expense, to perform maintenance, restore the slope and grading, or to remove any structure or improvement on such Owner's Unit that is in violation of the Community-Wide Standard or other requirements under the Governing Documents and to restore the property to its previous condition;
- iv. Enter the property and exercise self-help to remove or cure a violating condition if an Owner fails to take action as required within 10 days after receipt of written notice to do so, and any such entry shall not be deemed a trespass; or
- v. Bring suit at law for monetary damages or in equity to stop or prevent any violation, or both.

7. Notwithstanding the sanctions authorized in this section, the Association shall not cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his or her Unit on account of the failure by the Owner to comply with the provisions of the Governing Documents or of duly enacted rules of operation for the Common Area and facilities except by a judgment of a court or a decision arising out of arbitration on account of a foreclosure or sale under power of sale for failure of the Owner to pay assessments duly levied by the Association.
8. Fines and Penalties for violations of or failure to comply with the Governing Documents are not "assessments" and are not secured by the Association's assessment lien, but if not paid when due may be collected by judicial proceedings. (However, if California Civil Code Section 1367(c) is amended to permit fines and penalties imposed by the Association pursuant to this section to be secured by a lien enforceable by power of sale, then all fines and penalties shall constitute an assessment secured by the Association's lien and enforceable as provided in the Governing Documents.)

BOARD DECISION TO PURSUE ENFORCEMENT ACTION

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. For example, the Board may determine that, in a particular case:

- (a) The Association's position is not strong enough to justify taking any or further action;
- (b) The covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;
- (c) Although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or
- (d) That it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

ATTORNEY FEES AND COSTS

In any action to enforce the Governing Documents, if the association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonable incurred in such action.

ENFORCEMENT OF ORDINANCES

The Association, by contract or other agreement, may enforce applicable city and county ordinances. In addition, Stanislaus County or the City of Waterford may enforce ordinances within Joiner Village.

FINES AND SUSPENSIONS

Introduction. In the event the Board of Directors or Judicial Committee levies a Monetary Penalty, suspends an Owner's voting rights, or right to use the Common Areas for any violation of the Governing Documents, such discipline shall be determined by the provisions of this section.

Payment of Monetary Penalty. Owners shall have fifteen (15) DAYS from receipt of Notice from the Association in which to pay any Monetary Penalty. There is a late charge equal to ten percent (10%) of the Penalty for any Penalty not paid within fifteen (15) days after it becomes due. There is an interest charge on any unpaid Penalty at a rate of twelve percent (12%) per annum. The Association may commence legal action to collect any unpaid Penalty, late charge, and interest from the delinquent Owner with such delinquent Owner liable for all attorney's fees and court costs attributable to such collection action.

Suspension of Membership Rights. The Association may suspend the voting rights of a Owner or rights of Residents/Occupants to use the Common Area for violations of the Governing Documents. The suspension of any Owner's voting rights shall conform to Section 8.2 of the CC&R's. The suspension of any Owner's right to use any portion of the Common Area includes the suspension of all Occupants of such suspended Owner's unit. Occupants of a suspended Owner's Unit are prohibited from using the Recreational Facility as "Guests" of another Owner during the period of suspension.

Monetary Penalties. The Penalties to be levied for violations of the Governing Documents along with a citation of the provision violated, and the time period for Owners to correct the cited violation, is listed in this Section.

STANDARD FINES

- | | | |
|----|---|--------------|
| 1. | FIRST FINE for any violation | \$100 |
| 2. | 2nd Fine for same violation within 15 months of first violation | \$200 |
| 3. | 3rd Fine for same violation within 15 months of first violation | \$300 |
| 4. | Each additional violation for same violation within 15 months of the first violation | \$400 |

Recreational Facility Penalties. Violations of Community Rules regarding the Recreational Facility shall result in the temporary suspension of an Owner's right to use the Recreational Facility for a period of thirty (30) consecutive days. The use of the Recreational Facility by a suspended Owner or such suspended Owner's family shall be subject to a \$100.00 fine per occurrence.

ALTERNATIVE DISPUTE RESOLUTION

In the event that it becomes necessary, the Association or any Owner has the right to bring a lawsuit to enforce all restrictions, conditions, covenants, liens and charges in the Governing Documents. The losing party may be required to pay the attorney fees of the prevailing party, as well as other costs.

Currently, according to California law, most disputes between Owners and the Association involving the Governing Documents must be submitted to alternative dispute resolution (such as mediation or arbitration) before a lawsuit may be filed. The Association distributes notice of the requirements for alternative dispute resolution annually to all of the owners.

If you have any questions regarding this policy you should contact the Association at the following address:

**Joiner Village Homeowners Association
C/O Landmark Limited, LLC
1731 East Roseville Parkway Suite 100
Roseville, California 95661
corporate@landmarklimited.net**

COMMON AREA

The term "Common Area" as used in this section shall mean the Common Area as defined in the CC&R's including but not limited to the private streets, the park area, the entry feature and the emergency vehicle access area.

USE OF COMMON AREA

No part of the Common Area shall be obstructed so as to interfere with its use for the purposes permitted. Common Area equipment, i.e. time clocks, watering systems, etc., are to be adjusted and set by authorized personnel only, to avoid breakage. Nothing in the Common Area shall be altered, constructed or removed, except upon prior written consent of the Board of Directors.

**JOINER VILLAGE HOMEOWNERS ASSOCIATION
is not responsible for any items lost, stolen or damaged in the Common Area.**

DESTRUCTION OF PROPERTY - OWNERS LIABILITY

1. The Owner of each Unit shall reimburse the Association for all damages to the Common Area or to any improvements (including but not limited to buildings, recreation facilities and landscaping) or to any wall or fence adjacent to the Common Area caused by such Owner, their guest or any occupant of the Owner's Unit.

2. Each owner shall be responsible for the actions of their tenants, guests, lessees and all occupants of the Lot, for compliance with the provisions of the Governing Documents.

LEASE REQUIREMENTS

1. No Unit shall be rented, leased, or otherwise occupied by persons to the exclusion of the occupancy of the Owner or the Owner's immediate family unless the Unit is leased in its entirety for a period of at least six months.
2. All leases shall be in writing, shall disclose that the tenants and all occupants of the leased Unit are bound by and obligated to comply with the governing documents and shall expressly provide that a violation of the Governing Documents is a default under the lease or rental term. The Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.
3. No lease shall relieve the Owner from the obligation to pay assessments in accordance with the CC&R's.
4. **Owners, NOT TENANTS**, are responsible to the Association for the proper repair and maintenance of homes.
5. The tenant lease shall state the tenant is bound by and obligated to the provisions of the CC&R's, the Bylaws, and the Rules and Regulations of the Board, and failure to comply with the provisions of these governing documents shall be a default under the lease. It is the responsibility of each owner to provide tenants with copies of Reflections Homeowners Association Rules and Regulations and Information Binder, CC&R's and Bylaws, and to counsel tenants regarding compliance to these documents. The owner shall, at all times, be responsible for their tenant's or lessee's compliance with all of the provisions of these regulations pursuant to the occupancy and use of the home.
6. Owners are held responsible for the actions and behavior of their tenants and guests and are financially liable for damage to the Common Area and equipment, and for violations of the Rules and Regulations.

ARCHITECTURAL REVIEW COMMITTEE

ESTABLISHMENT AND COMPOSITION OF THE COMMITTEE

1. The Architectural Review Committee (ARC) shall consist of three (3) members. The composition of the ARC will evolve during the development of the community as follows:

- a. Declarant may appoint all of the members of the ARC and all replacements until the first anniversary of the issuance of the first California Department of Real Estate final public report for the Development.
- b. Beginning with the first anniversary of the issuance of the first DRE final report, Declarant may appoint a majority (2) of the members of the ARC. The remaining (1) member of the ARC shall be appointed by members of the Association Board and shall be a member of the Association.
- c. At the earlier to occur of: (A) ninety percent (90%) of the Lots sold within the community; or (B) on the fifth anniversary (5 years) of the first DRE final report, the ARC shall become a committee of the Association and all members of the Committee shall be appointed by the Board of Directors.
- d. If at any time there shall not be a duly-constituted Architectural Review Committee, the Board shall exercise the functions of the ARC in accordance with the terms of this section.

DUTIES OF THE ARCHITECTURAL REVIEW COMMITTEE

1. It shall be the duty of the ARC to consider and act upon proposals or plans submitted to it, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.
2. All decisions regarding proposed improvements shall be made in good faith and shall not be unreasonable, arbitrary, or capricious.

ARCHITECTURAL REVIEW COMMITTEE MEETINGS

1. The ARC shall meet as necessary to properly perform its duties herein,
2. Every act done or decision made by a majority of the members of the ARC shall be the act or decision of the ARC.
3. The ARC shall keep and maintain a record of all actions taken by it at such meetings or otherwise.
4. The ARC and its members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any ARC function.

ARCHITECTURAL RULES

1. The Architectural Review Committee may, from time to time, and subject to the Board's approval, adopt, amend, and repeal rules and regulations to be known as Architectural Rules.
2. The Architectural Rules shall interpret and implement the provisions of this section by setting forth the standards and procedures for the ARC to review and guidelines for architectural design, placement of Residences and other structures, color schemes, exterior finishes and materials, and similar features which are recommended for use in the Development; provided, however, that the Architectural Rules shall not be in derogation of the minimum standards required by the CC&R's.
3. The Architectural Rules may also impose limits on the days and hours of construction and impose any other restrictions and regulations which the Board deems appropriate to limit the impact of construction activities on the Residents.

JOINER VILLAGE HOMEOWNERS ASSOCIATION RULES & REGULATIONS

APPLICATION

1. Any Owner proposing to perform any work of any kind whatever, which requires prior approval pursuant to these rules, shall apply for approval by notifying the Association, in writing on the Joiner Village Home Improvement Application form as provided by the Management Company.
2. The application will include the nature of the proposed work and furnishing such information and documentation as the ARC or Board may require, including without limitation samples of proposed paints in such sizes and formats as the Committee or the Board may deem appropriate.
3. In accordance with the CC&R's and in addition to any other remedies the Association may have, the Board may impose a fine against any Owner who fails to submit an application, and obtain the required approval thereof, prior to proceeding with any Improvement for which approval is required pursuant to these rules.
4. Any Owner who paints his/her Residence or any other Improvement any color other than the original color without first submitting an application and obtaining the approval required by these rules may be required, in the Board's discretion, to repaint the Residence or Improvement.

FEES

1. The ARC may charge a reasonable fee or fees for its review of architectural or landscaping applications, drawings, plans, and specifications, which may include the cost of retaining outside consultants including but not limited to architects, engineers, soils experts, or contractors.
2. The ARC may require an Owner to post a deposit for major or even minor improvements when submitting plans to the Committee to ensure compliance with the Architectural Rules and the CC&R's.
3. The Committee shall establish a schedule or formula for determining a different amount of the deposit, and may require a separate deposit for proposed landscaping improvements.
4. Owners acknowledge that all or a portion of any deposit may be forfeited to the ARC if the Owner fails to properly and timely complete works of Improvement in accordance with approved plans and specification or if an Owner or an Owner's agents cause damage to the Common Area.
5. Prior to any deposit forfeiture, the ARC shall provide the Owner with notice and an opportunity to be heard, in accordance with California Civil Code Section 4765.

GRANT OF APPROVAL

1. The Architectural Review Committee shall grant the requested approval only if the Owner has complied with the provision of these rules as stated above, and
 - a. The ARC finds that the plans and specifications conform to both the CC&R's and the Architectural Rules in effect at the time such plans were submitted to the ARC, unless a variance is granted from such Architectural Rules pursuant to CC&R's; and
 - b. The ARC determines that the proposed Improvements would be consistent with the standards of the Development and the purposes of the CC&R's as to quality of

workmanship, design and materials, as to harmony of exterior design with the existing structures, and as to location with respect to topography and finished grade elevations.

FORM OF APPROVAL

1. All approvals and denials of requests for approval shall be in writing and no verbal approval of a request for approval is permitted by any member of the Architectural Review Committee or the Association.
2. The ARC may approve a request for approval subject to the Owner's consent to any modifications made by the ARC.
3. If the Owner does not consent to the modifications, the request for approval shall be deemed denied in its entirety.

APPEAL OF DENIAL TO BOARD OF DIRECTORS

1. If the Architectural Review Committee disapproves an owner's Improvement application, the applicant shall be entitled to request reconsideration by the Association's Board of Directors.
2. The Board shall consider the reconsideration request at a meeting held in accordance with California Civil Code Section 4925.
3. The only time this reconsideration by the Board will not be in effect is if the Architectural Review Committee is comprised of the members of the Board of Directors, who make their decision at a Board meeting, in accordance with California Civil Code Section 4765.

TIME FOR ARCHITECTURAL REVIEW COMMITTEE ACTION

1. Any request for approval which has not been acted upon by the Architectural Review Committee within forty-five (45) days from the date of receipt in the Management Office shall be deemed approved.
2. The Owner requesting approval shall have the burden of establishing the date of receipt of the request for approval by the Architectural Review Committee.
3. Proof may be in the form of either a copy of such request for approval date-stamped by the Association or by a return receipt provided by the United States Postal Service acknowledging that such request for approval was delivered to the Association.

COMMENCEMENT

1. Upon receipt of approval pursuant to these rules, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all installation, construction, reconstruction, refinishing, alterations, and excavations pursuant to such approval.
2. The approved project must commence, in all cases, within ninety (90) days from the effective date of such approval or upon such later date as the Board may in its discretion designate.

3. If the Owner shall fail to comply with this section, any approval previously given shall be deemed revoked unless the Board, upon written request of the owner made prior to the expiration of the time for commencement, extends the time for such commencement.
4. No such extension shall be granted except upon a finding by the Board that there has been no change in the circumstances upon which the original approval was granted.

COMPLETION

1. The Owner shall, in any event, complete the approved Improvement within one (1) year after commencing construction thereof.
2. The exception to the above stated completion requirement will be in the case such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his agents.
3. If an Owner fails to comply with these completion requirements, the Board shall proceed as though the failure to complete the improvements was a non-compliance with approved plans.

INSPECTION

1. Inspection of work and correction of defects therein shall proceed as follows:
 - a. Upon the completion of any installation, construction, reconstruction, alteration, or refinishing of the exterior of any Improvements, or upon the completion of any other work for which approved plans are required under these rules, the Owner shall give written notice thereof to the Architectural Review Committee on the form provided by the Management Office called Notice of Completion.
 - b. Within sixty (60) days after the receipt of such written notice, the ARC, or its duly authorized representative, may inspect such Improvement determine whether it was installed, constructed, reconstructed, altered, or refinished to substantial compliance with the approved plans.
 - c. If the ARC finds that such work was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty (60) day period, specifying particulars of non-compliance and shall require the Owner to remedy such non-compliance.
 - d. If the Owner shall have failed to remedy such non-compliance upon the expiration of thirty (30) days from the date of such notification, the ARC shall notify the Board in writing of such failure.
 - e. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-compliance.
 - f. The hearing date shall be no more than thirty (30) days or less than fifteen (15) days after notice of the non-compliance is given to the Board by the ARC.
 - g. Notice of the hearing date shall be given at least ten (10) days in advance by the Board to the Owner, to the Architectural Review Committee and, in the discretion of the Board, to any other interested party.
 - h. At the hearing, the Owner, the ARC and in the Board's discretion, any other interest person, may present information relevant to the question of the alleged non-compliance.

- i. After considering all such information, the Board shall determine whether there is a non-compliance and, if so, the nature thereof and the estimated cost of correcting or removing the same.
- j. If a non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board's ruling.
- k. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying Improvement or remedy the non-compliance and all expenses incurred in connection therewith shall be assessed against the Owner as a Reimbursement Assessment.
- l. If, for any reason, the ARC fails to notify the Owner of any non-compliance within sixty (60) days after receipt of a Notice of Completion from the Owner, the Improvement shall be deemed to be in accordance with the approved plans.
- m. The Owner shall have the burden of establishing the date of receipt of the Notice of Completion by the Architectural Review Committee by evidence in the form of either a copy of such notice date-stamped by the Association's Management Office or by a return receipt provided by the USPS acknowledging that such notice was delivered to the Association.

NON-WAIVER

The approval by the Architectural Review Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the ARC under the CC&R's or these rules, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

ESTOPPEL CERTIFICATE

- 1. The Association shall Record an estoppel certificate, if permitted by the County, within thirty (30) days after any Owner delivers written demand to the Association
- 2. The Owner shall first pay to the Association a reasonable fee (as fixed from time to time by the Board).
- 3. The estoppel certificate shall certify with respect to any Lot of such Owner that as of the date thereof, either:
 - I. All improvements made and other work completed by such Owner comply with the CC&R's and the rules herein, or
 - II. Such Improvements or work do not so comply, in which event the certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such non-compliance.
- 4. Any purchaser from the Owner, or from anyone deriving any interest in a Lot through him, shall be entitled to rely on such certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and all Owners and such persons deriving any interest through them.

ARCHITECTURAL CONTROL GUIDELINES

The Board of Directors will strive to preserve the highest standards and quality of life for each resident within the community. All proposed improvements and modifications to the exterior of any living unit must comply with all Association documents and be submitted to the Board of Directors, in writing, on forms available from the Management Company.

SUBMISSION OF PLANS AND SPECIFICATIONS

1. No Improvements including without limitation landscaping, residences, buildings, fences, walls, obstructions, balconies, screens, patio covers, awnings, or other structures of any kind, shall be commenced, located, erected painted, or maintained within the Development.
2. No exterior addition to or change or alteration within the Development shall be made until the plans and specifications showing the nature, kind, shape, color, height, size, materials, and location of the same shall have been submitted to and approved in writing by the Architectural Review Committee (ARC) as to
 - I. Quality of workmanship and design
 - II. Harmony of external design in relation to the nature and character of the Development and the Improvements thereon, and
 - III. Location in relation to surrounding structures, topography, finished grade elevation.
3. Notwithstanding this section, and provided that the existing color and finish were approved by the ARC in the first instance, an Owner may repaint and refinish the exterior of the Improvements on his or her Lot in an identical color and finish without the approval of the Committee.

GUIDELINES FOR SUBMITTAL OF ARCHITECTURAL PLANS

The Architectural Review Committee strives to preserve the highest standard and quality of life for each owner within the Rivers Pointe Community. Approval by the Committee must be given for any improvements or modifications **prior** to the start of any work.

To assist the ARC in completing the approval process, please follow these guidelines:

1. Please complete a description of the proposed changes on the HOME IMPROVEMENT APPLICATION.
2. Include plans, to scale, that show:
 - Location of improvement
 - Complete dimensions as close to scale as possible
 - Description of materials and color scheme.

3 Please submit the following:

- Completed JOINER VILLAGE HOME IMPROVEMENT APPLICATION form.
- Two (2) sets of plans

Mail, email OR fax to:

**Joiner Village Homeowners Association
C/O Landmark Limited, LLC
1731 East Roseville Parkway, Suite 100
Roseville, California 95661
FAX 916-746-0088
corporate@landmarklimited.net**

Landmark Limited will confirm the receipt of your plans. The plans will be reviewed and you will receive a written notice of the decision by the Architectural Review Committee. Please note it may take up to **FORTY-FIVE (45)** days for the Architectural Review Committee process. The Association therefore encourages applicants to begin this process before the work is scheduled. All applicable City Standards shall apply and Owner must obtain proper City approvals and permits prior to work starting.

Joiner Village Homeowners Association

HOME IMPROVEMENT APPLICATION

NOTE: No work may begin until you receive prior written approval from the Association.

All applications must be submitted with a plan/sketch (drawn to scale) showing the exact location of the specified improvements and details including dimensions, type of materials to be used and photos showing the design and color.

NAME: _____ DATE: _____

ADDRESS: _____ LOT NO: _____

PHONE: (H) _____ (W) _____ PROPOSED COMPLETION DATE: _____

E-MAIL: _____

TYPE OF ARCHITECTURAL AND/OR LANDSCAPING IMPROVEMENT

MODIFICATIONS/ADDITIONS:

- ___ Remodeling/Additions
- ___ Garage Doors/Exterior Doors
- ___ Driveway/Walkways
- ___ Gazebos/Sheds/Play Equipment
- ___ Greenhouses/Sun Rooms
- ___ Swimming Pool/Spa/Solar Panels
- ___ Decks/Patios
- ___ Arbors/Overhangs
- ___ Dog Houses/Runs
- ___ Fences/Fence Additions
- ___ Retaining Walls
- ___ Landscaping Front yard ___ and/or Backyard ___ (plant location & species required)

Is material same color and type as your house?

___ Yes ___ No

Materials to be used:

___ Wood ___ Stucco ___ Brick

___ Stone ___ Concrete

___ Other _____

(Please specify color and include a color sample)

Painting:

___ Repaint house same color

___ Repaint house NEW color

(Attach paint color samples for stucco, trim & fascia)

ADDITIONAL COMMENTS: _____

Acknowledgement of all neighbors who will be affected by your alterations/improvements is required. To expedite the processing of your application, please show and explain your plans to all those neighbors who will be affected and have them sign in the appropriate place below.

NEIGHBOR ACKNOWLEDGMENT: I have reviewed the plans of the proposed addition of _____ and am aware of all their proposed alterations/improvements shown on the attached plan.

ADDRESS	NAME (PRINT)	SIGNATURE	PHONE #	DATE

GENERAL CONDITIONS OF APPROVAL:

1. Comply with Covenants, Conditions and Restrictions, final Subdivision Map, and established Design Guidelines previously approved by the Board of Directors.
2. Obtain all necessary governmental approvals. Construction shall comply with applicable laws, ordinances, codes and regulations within the City of Lincoln. A permit may be required.
3. If construction waste or excavation material results, it shall be disposed of properly. Adjoining properties are not to be disturbed.
4. No construction materials or debris of any type shall be stored or dumped on any street within the development.

The undersigned applicant requests approval of the improvements described above based upon the plans included with this application. Applicant understands and agrees to comply with general conditions stated above.

X _____

OWNER SIGNATURE

TODAY'S DATE

RETURN APPLICATION AND PLANS BY MAIL OR EMAIL TO:

Joiner Village HOA

E-MAIL: homeimprovements@landmarklimited.net

C/o Landmark Limited

1731 E. Roseville Pkwy. Suite 100

Roseville, CA 95661

If you have any questions, please call Landmark Limited: (916) 746-0011

JOINER VILLAGE – ARCHITECTURAL REVIEW COMMITTEE

(For Association Use only)

___ APPROVED ___ NOT Approved ___ Conditionally Approved

COMMENTS: _____

By: _____

Date: _____

COMMUNITY RULES/USE RESTRICTIONS

OFFENSIVE CONDUCT, NUISANCES, NOISE

1. No noxious, harmful or offensive activities shall be conducted upon or within any part of the Development.
2. No activity shall be conducted on the Development which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any Resident of the Development or which will interfere with their use of the Common Area and facilities.
3. No activity shall be conducted that will interfere with any Resident's use and enjoyment of their lot or residence.
4. No Resident shall permit noise, including without limitation the barking of dogs or excessively loud music to emanate for the Resident's Lot which disturbs another Resident's enjoyment of their Lot or the Common Area.
5. Nothing in this section will be construed to limit the Association's ability to discharge its duties in accordance with the Governing Documents to manage the Development.

RESIDENTIAL USE

No Lot, or any portion thereof, shall be occupied or used for other than residential purposes.

RESTRICTION ON BUSINESSES

1. No business of any kind shall be established, maintained, operated, permitted, or conducted within the Development except:
 - a. Professional and Administrative — There shall be NO EXTERNAL evidence of any business that may be permitted by, and which is conducted in compliance with all applicable governmental ordinances.
 - b. The Board, in its complete discretion, may prohibit the conduct of any such activities which it determines to be incompatible with the nature and character of the Development or which, in the Board's opinion, may or does otherwise negatively impact the quality of life and property values within the Development.
 - c. Development and Sales of Lots and Residences — Declarant (Builder) shall be entitled to use Lots, and any Residences located thereon that are owned by Builder, as models, sales offices or construction headquarters for the purpose of constructing Residences and marketing Lots or Residences within the Development.
 - d. Permitted by Law — Those other businesses that may be determined by Law must be permitted to be conducted within the Development.

USE OF COMMON AREA

1. All use of Common Area is subject to the Governing Documents.
2. No alterations or additions to the Common Area shall be made except as authorized by the Board pursuant to the Governing Documents.
3. Nothing shall be placed, kept, stored, or parked on the Common Area without the prior written consent of the Board, except by the Association.
4. No Owner shall place rubbish, debris, or other unsightly or unsanitary materials on the Common Area.
5. Each Owner shall avoid causing damage to the Common Area.

REQUIREMENT OF ARCHITECTURAL APPROVAL

The Architectural Review Committee is authorized to review for approval any and all construction, installation, modification, or alteration of buildings, outdoor structures, fences, awnings, outdoor lighting and/or all other exterior improvements to any Lot as directed further in the association Architectural Guidelines.

SPORTS APPARATUS

1. No sports apparatus, whether portable or fixed, including without limitation basketball standards shall be permitted within the Development.
2. This does not include bicycles, roller skates, roller blades or any other similar unpowered wheeled equipment.
3. The Board shall have the discretion to adopt Rules governing the use of such unpowered wheeled equipment within the Development.

WINDOW COVERINGS

1. Drapes, window shades, or shutters shall be installed in the windows of all Residences and garages and shall comply with any Rules adopted by the Board of Directors.
2. In no event shall windows be painted, nor shall aluminum foil, newspaper, bed sheets, cardboard or similar materials be placed in windows.
3. All windows coverings shall be maintained in good repair and condition at all times.

SIGNS

The Board may adopt limitations on signs including, without limitation, restrictions on the size of the signs, the duration of their posting, and their location, to the extent permitted by law.

ANTENNASATELLITE DISHES

1. No outside television antenna, aerial, satellite dish or similar device for the transmission or reception of television, radio, satellite, or other signals of any kind, are permitted within the Development, except as provided in this section.

2. Antennas or satellite dishes with a diameter or diagonal measurement not greater than one meter which are designed to receive direct broadcast satellite services, video programming services via multi-point distribution services, or television broadcast signals (collectively "Permitted Dishes") may be erected, placed or installed on a Lot, subject to the following restrictions, provided that the application of these restrictions do not unreasonable delay installation or expense, or preclude reception of an acceptable quality signal:
 - a. Dishes Not Visible from Streets — All Permitted dishes shall be placed in locations which are not visible from the streets within the Development.
 - b. Prioritized Placement Locations — All Permitted Dishes shall be installed at locations prioritized by the Architectural Review Committee, if such a list is adopted.
 - c. Reasonable Rules — All Permitted Dishes shall be installed in accordance with such reasonable restrictions which may be imposed as part of the Architectural Rules.
 - d. Post Installation Review — The Architectural Review Committee may review the location and installation of Permitted Dishes after installation. To the extent permitted by law, the Committee may require a Permitted Dish be moved to a preferred location designated by the Committee.

TRASH DISPOSAL/GARBAGE

1. Trash, garbage, accumulated waste plant material and all other waste and refuse shall be deposited only in covered sanitary containers or recycling containers in accordance with the following rules:
 - a. Screened Containers — Containers shall be maintained on each Lot and shall be screened or otherwise concealed from view from the Common Area, the streets or any other Residence.
 - b. Container Pickup - The Containers may be placed for pickup at a reasonable time prior to trash collection and shall be promptly returned to the storage location after pickup. Containers shall not be in public view for more than a 24 hour period.
 - c. Rules Regulating Placement of Containers — The Board may adopt Rules further regulating the placement of containers for trash collections which Rules may include more stringent limitations on the period of time during which containers may be placed for collection.
 - d. Trash Storage — No Owner or Resident shall permit or cause any garbage, trash or other waste or refuse to be kept upon any portion of any Lot outside of the Residence or elsewhere in the Development except in containers.

VEHICLES AND PARKING

RECREATIONAL VEHICLES

1. No trailer, motor home, recreational vehicle, camper, or boat shall be parked, kept or permitted to remain within the Development unless it is placed or maintained completely within an enclosed garage.

2. The Board, in its complete discretion and upon such basis and terms as it deems prudent, shall have the power to adopt, modify and repeal Rules permitting the temporary use and parking within the Development of vehicles otherwise prohibited by the provisions of this section.

COMMERCIAL VEHICLES

1. No truck, van or commercial vehicle shall be permitted within the Development except for such limited times as are necessary for deliveries, the performance of maintenance, repair and replacement of Improvements within the Development.
2. The Board may adopt Rules which may include, without limitation, a limit on the time of day or days of the week when such vehicles may be present within the Development.
3. The term "truck, van or commercial vehicles" shall not include sedans or standard size pickup trucks and vans which are used for both business and personal uses, provided that any signs or markings of a commercial nature on such vehicles shall be reasonable and inoffensive as determined by the Board.

CONDITION OF VEHICLES

1. No unreasonably noisy vehicles and no vehicles (including, without limitation, scooters, motorcycles or other motorized devices) emitting foul smelling or offensive exhaust fumes shall be operated within the Development.
2. No dilapidated, unsightly, inoperable, or abandoned vehicle shall be parked, kept or permitted to remain upon any area within the Development unless completely enclosed within a garage.
3. Each vehicle operated or located within the Development shall maintain current registration which permits the vehicle to be legally operated on public streets. The Board shall have the authority to require written evidence of such registration.

NO VEHICLE REPAIRS/WASHING

No vehicle washing, maintenance, or repairs of any kind may be made to vehicles within the Development except such emergency repairs as are necessary to remove the vehicle from the Development.

COMMON AREA PARKING OF VEHICLES

Vehicles may be parked within the Development only as follows:

Permitted Driveway Parking — ONLY THE OWNERS OF DESIGNATED LOTS may park a compact vehicle immediately in front of the garage door of the Residence.

- 1) The Board has the authority to determine if the parking of such compact vehicle impedes the ingress and egress of vehicles to and from an adjacent Lot.
- 2) If the Board determines the parking of a vehicle impedes an adjacent Lot's vehicular ingress and egress, the Lot's Owner must inform potential Lot buyers of the Board's determination.
- 3) Residents of all other Lots shall park vehicles only within the garage located on such Owner's Lot.

Prohibited Driveway Parking — No vehicles may be parked within the Common Area driveway courts, except as permitted in the section above.

Roadway Parking — Residents and their guests may park vehicles on the Common Area private roadway and parking spaces, provided such vehicles are not parked for more than 72 consecutive hours in one location. The nominal movement of any vehicle for the purposes of preventing the application of this section shall be deemed ineffective.

Guest Parking — For those Lots which are permitted to park a vehicle in front of the Residence's garage, guests of such Lot's Residence may park a compact vehicle in front of the garage of the Residence. No such Guest shall be permitted to park a vehicle overnight in front of the Residence more than six (6) times within any 30 day period.

Parking Rules and Enforcement — The Board shall have the authority to adopt further reasonable rules and restrictions regarding vehicles and parking within the Development as the Board may deem prudent and appropriate. The Board shall also have the power to impose sanctions for violations of provisions of the Governing Documents relating to vehicles and parking. Such authority and power shall include, without limitations:

1. **Fines** — The Board has the power and authority to fix and impose fines for violations of this section in accordance with California Civil Code Section 1363.
2. **Vehicle Towing** — The Board has the power and authority to cause the towing, at the vehicle owner's expense, of vehicles which are parked within the Development in violation of any of the provision of the Governing Documents. Towing of vehicles of guests and other non-Residents of the development shall be subject to the provisions of applicable law.

GARAGES

1. **Garage Condition** — Each Owner shall keep his or her garage in a sanitary and safe condition.
2. **Closed Doors** — Each garage door shall remain closed except during the time required for the entry and exit of vehicles and individuals and when the garage is in active use.
3. **No Conversion** — No garage shall be remodeled or used as a workshop, storage space, hobby facility or for any other use or facility which would interfere with the ability of the Owner of the Lot to accommodate two (2) full-sized passenger vehicles. In no event shall any garage be converted to or used as a living area.

COMPLIANCE WITH LAWS

Nothing shall be done or kept anywhere within the Development which violates any local, state or federal law, ordinance, statute, rule or regulation.

ANIMALS

HOUSEHOLD PETS

1. No animals, reptiles, rodents, birds, fish, livestock, or poultry shall be raised, bred or kept on any Lot or other portion of the Development.
2. The Board may determine the number of domesticated birds, cats, dogs or aquatic animals kept within an aquarium may be kept on any Lot.
3. No domesticated bird, cat, dog or aquatic animal, or any other species, shall be kept, bred, or maintained for any commercial purpose.
4. All animals must be maintained under reasonable control at all times, all in conformance with any City ordinance.
5. Each dog must be restrained on a leash held by a responsible person capable of controlling it whenever it is outside of the Owner's Lot.

OWNER'S RESPONSIBILITY FOR PETS

1. The Owner of each pet shall be responsible for immediately removing and disposing of any waste introduced to any portion of the Development by such pet.
2. The Board shall have the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to pets, including without limitation fines for failure to remove and dispose of pet waste as required by this section.
3. Each Owner, Resident, and any person bringing or keeping an animal within the Development shall be absolutely liable to the Association and all other persons for any injury or damage to persons or property caused by the animal brought upon or kept upon the Development by such person or by members of his or her household, tenants, guests, or invitees.
4. Each Owner and Resident shall indemnify the Association and its officers, directors, and agents against any and all claims, damages, losses, demands, liabilities, and expenses including but not limited to attorney's fees arising out of or resulting from the presence of conduct of any animal in their care.

PET RULES

1. The Board may adopt and enforce Pet Rules in addition to the provisions of this section.
2. Such Rules may include, without limitation, regulations regarding the presence of pets on the Common Area and requirements that pets be registered with the Association.
3. The Association shall have the right to prohibit the keeping of any animal which constitutes, in the sole and exclusive opinion of the Board, a nuisance or danger to any other person.

RENTAL OF LOTS

An Owner shall have the right to rent his or her Lot subject to the provisions of the Governing Documents, including without limitation the following specific requirements:

1. Notification of the Board

The owner shall notify the Association of the duration of the lease and shall provide the Association with (i) the names of the tenants, (ii) the names of the members of the tenants' household, (iii) the tenants' telephone numbers, and (iv) such other information as the Board deems appropriate.

The Association may, in its discretion, adopt a form for the provision of the information required by this subsection, together with an acknowledgement by the tenants that they have read, understand and agree to abide by the Governing Documents, which form shall be submitted to the Association for each rental of a Lot.

2. Owner Responsibility

Each Owner renting a Lot shall be strictly responsible and liable to the Association for the actions of such Owner's tenant in or about all Lots and Common Area and for each tenant's compliance with the provisions of all Governing Documents. An Owner renting a Lot shall provide the tenant with copies of the Governing Documents and all subsequent amendments.

3. Indemnification of Association

Every Owner of a Lot that is occupied by persons other than the Owner pursuant to a rental agreement or otherwise, agrees to and shall indemnify and defend the Association, its officers, directors, manager, and agents and shall hold them harmless from any cost, loss, claim, or damages of any kind, including but not limited to attorney's fees arising out of the conduct or presence of the occupants of the Lot upon the Development, including any such arising or alleged to have arisen out of the enforcement or non-enforcement by the Association of the Governing Documents against such occupants. Without limiting the generality of the foregoing, all costs, including attorney's fees incurred by the Association to enforce the Governing Documents against such occupants, including eviction as provided herein, shall be reimbursed to the Association by the Owner and may be assessed by the Association as a Reimbursement Assessment.

4. Requirements of Written Rental Agreement

Any rental of any Lot shall be only by written rental agreement which shall expressly provide (i) that it is subject to all of the provisions of the Governing Documents, (ii) that the tenants of such Lot shall comply with all provisions of the Governing Documents, and (iii) that any violation of any provisions of the Governing Documents shall constitute a breach and default of the terms of such rental agreement. The rental agreement shall not attempt to, nor shall any such agreement be effective to, transfer membership in the Association to the lessee.

5. Requirement of Inclusive Rental Agreement

No Owner may rent or hire any garage, accessory building, or similar improvement to anyone who does not have the right of possession of entirety of the Residence on the Lot.

CLOTHESLINES

No exterior clotheslines or other outside clothes drying or airing facility shall be erected or maintained upon any Lot.

MAILBOXES AND EXTERIOR NEWSPAPER TUBES

1. No newspaper tubes or mailboxes shall be erected or maintained within the Development except for the cluster-style, grouped mailboxes which are the mail receptacles for the Lots.

STORAGE AND PLACEMENT OF PERSONAL PROPERTY

1. Personal property, materials or equipment shall only be stored behind fences and in a manner that is not visible from the Common Area.
2. The Architectural Review Committee may adopt Rules regarding the placement of any personal property or improvement that exceeds the height of any fence.
3. The Architectural Review Committee give prior approval for patio cover, building addition, awning or similar improvement on any Lot.

ACTIVITIES AFFECTING INSURANCE

1. Nothing shall be done or kept within the Development that will increase the rate of insurance maintained by the Association without the prior written consent of the Association.
2. No Owner shall permit anything to be done or kept within the Development that would result in cancellation of any insurance policy maintained by the Association or any other Owner.

VARIANCES

The Board shall be authorized to grant reasonable variances from the provisions of these sections of these Rules upon written application from any Owner provided that the Board determines, in its sole discretion, that the specific application of the restriction to such Owner will (i) cause substantial undue hardship to the Owner, or (ii) fail to further or accomplish the common plan for the Development as contemplated by these rules.

1. The Board shall have the power to limit any variance granted in scope or duration or otherwise impose such specific requirements as the Board may, in its complete discretion, see fit to require.
2. The Board shall follow the following procedures in acting on any request for a variance:
 - a. Initial Board Determination — The Board, in its sole discretion, shall make an initial determination whether or not the variance on its face meets the requirements set forth in this section. If the Board determines that it does not, the variance request shall be denied and the Board shall so notify the applicant within thirty (30) days of the Board's decision. If the Board determines that the variance does, the procedures set forth in the remainder of the section shall be followed.
 - b. Board Hearing — The Board shall conduct a hearing on the variance within forty-five (45) days of the receipt of the written request for a variance. Notice shall be given to all Members not less than fifteen (15) days prior to the date of the hearing. Members may submit comments in writing prior to the hearing and/or appear at the hearing. The Board shall establish a reasonable time limit for Member comments during the hearing. No decision regarding the request for variance shall be made until the conclusion of the hearing.
 - c. Board Decision — After the conclusion of the hearing, the Board shall, in its sole discretion, either grant or deny the request for variance in accordance with the standards set forth in this section. As more fully discussed above, if the Board grants the variance request, the Board may impose such conditions as the Board deems appropriate and shall so notify the applicant within thirty (30) days of the Board's decision.

ALTERATIONS TO LOTS AND RESIDENCES**APPROVAL BY ARCHITECTURAL REVIEW COMMITTEE**

Except for Improvements constructed or installed by Builder, no building fence, wall or other structure or Improvement shall be erected, altered or placed on any Lot until building plans, specifications and a plot plan showing the location of structures on the Lots have been submitted to the Architectural Review Committee for review and approval as described in the Architectural Guidelines herein contained.

SOLAR HEATING SYSTEMS

Subject to limitations imposed by California law, the Architectural Review Committee shall be entitled to adopt, as part of the Architectural Guidelines, reasonable regulations regarding the installation of solar heating systems. These rules may include limitations on placement and design of such systems to the extent necessary to avoid an unsightly appearance from neighboring Lots or Common Area.

DRAINAGE

No Owner shall do any work, construct any Improvement, place any landscaping or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern of the Owner's or any adjacent Lots or parcels or Common Area as established in connection with the approval of the final subdivision and parcel maps applicable to the Development, except to the extent such alteration in drainage pattern is approved in writing by the Architectural Review Committee, and all other public authorities having jurisdiction.

EXTERIOR LIGHTING AND FIXTURES

All lights installed on the exterior of a Residence or on a Lot shall be adequately and properly shielded from other Residences and the Common Area, such that direct rays from the light source are directed downward and do not cross property lines.

MAINTENANCE OF PROPERTY

The Association shall have the following maintenance responsibilities:

COMMON AREA

The Association shall maintain the Common Area, keeping the same in good condition and repair. The Association shall utilize a seven-day automatic irrigation system for all Common Area landscaping.

OTHER ASSOCIATION PROPERTY

The Association shall maintain, repair and replace all other real and personal property that may be acquired by the Association, keeping such property in good condition and repair.

FRONT YARD MAINTENANCE OF INDIVIDUAL LOTS

1. The Builder installed a landscape irrigation system on each Lot.
2. The Association shall be solely responsible for all maintenance, repair, upkeep and replacement of the landscaping and irrigation system located within the front yard of each Lot.
3. The Association's landscape maintenance pursuant to this section shall include repairing sprinklers and periodically inspect the irrigation system to ensure proper water use and to correct any leaks or excessive watering.
4. All walkways, concrete hardscape areas, and trash container screening installed by Builder within the front yard portion individual Lots shall be maintained by the Association.

STORM DRAINAGE SUMP

On a semi-annual basis, the association shall be responsible for removing the oil and silt from any storm drainage sump located within the Development.

MAINTENANCE MANUAL

1. The Association shall comply with provisions of any Common Area maintenance manual, if Builder provides one to the Association.
2. The Board may, from time to time, make appropriate revisions to any maintenance manual based on the Board's review thereof, to update such manual to provide for maintenance according to current industry practices so long as such changes do not reduce the useful life or functionality of the items being maintained.

OWNERS' RESPONSIBILITIES

Each owner shall be solely and exclusively responsible for the maintenance, repair and replacement of his or her Lot and all Improvements thereon, and shall keep the same in good and attractive condition and repair. Each Owner's obligations shall include, without limitation, the following.

OWNER'S RESPONSIBILITY FOR CONSEQUENTIAL DAMAGE

1. An Owner is responsible for the cost of repair of those portions of the Owner's Lot and Residence, including fixtures and personal property, which are required to be maintained by the owner, even if the cause of the damage originates from a source maintained by the Association, unless the cause is the gross negligence of the Association or its agents.
2. As an example, water damage to a Residence that is caused by an Association maintained irrigation system is the responsibility of the Owner even though the repair of the irrigation system is the responsibility of the Association.

RESIDENCE AND OTHER IMPROVEMENTS

1. Each Owner shall maintain, in good and attractive condition and repair, the Residence and other buildings and Improvements located on his or her Lot.
2. The garage door for the garage of the Residence shall be maintained in good condition, appearance and repair.

BACKYARD/COURTYARD LANDSCAPING

1. Each Owner shall maintain the backyard/courtyard landscaping on his or her Lot in a neat and attractive condition.
2. Each Owner shall utilize a seven-day automatic irrigation system for the landscaping on his or her Lot.
3. Each Owner shall complete the installation of backyard/courtyard landscaping on his or her Lot within one hundred eighty (180) days of occupancy of the Lot's Residence.
4. Prior to commencing installation of backyard/courtyard landscaping, each Owner shall comply with the drainage restrictions described in Drainage section above and shall obtain Architectural Review Committee approval of the proposed landscaping.

FENCES

1. Except for front yard trash container screening fences which shall be maintained by the Association, each Owner shall maintain, repair and replace the fences and walls located on his or her Lot, keeping the same in good and attractive condition and repair.
2. The cost of reasonable repair and maintenance of fences abutting two Lots or a Lot and Common Area shall be shared equally by the owners of the property abutting each side of the fence, subject to the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions.

UTILITY CONNECTIONS

1. Utility lines and connections, including without limitation, water, sewer, electrical, cable television, telephone and gas lines, which are located on, under, or over any Lot and which provide service to the Residence or other Improvements located upon such Lot,
2. Shall be maintained, repaired and replaced by the Owner of such Lot or by the utility company providing such service.

MAINTENANCE MANUAL OBLIGATION

1. By accepting a deed to a Lot, each owner acknowledges and agrees that, in addition to the obligations set forth in the CC&R's, each Owner is required to comply with all of the maintenance obligations and schedules set forth in any homeowner's maintenance manuals issued by the Builder.
2. Each Owner is further obligated to provide a copy of such homeowner's maintenance manuals to any successor Lot purchaser or Owner.

MOLD

1. In order to reduce the presence of molds, fungi, spores, pollens, other botanical substance or other allergens (collectively, "mold") within the Development, each Owner shall implement a mold inspection and prevention program which shall include the following steps:
 - a. Inspect the Owner's Residence not less frequently than quarterly to check for water leaks, moisture collection, or other breaches of the watertight integrity of the Residence and for the presence of mold.
 - b. If any water leaks, moisture collection, or mold is detected, immediately take appropriate corrective action to repair and remove the mold.
 - c. Maintain proper ventilation and humidity levels (particularly in the bathrooms and kitchens) within the Residence to reduce the risk of mold.
 - d. Periodically inspect the water fixtures and refrigerator condensation pans for the presence of mold.
 - e. Replace HVAC filters semiannually or as recommended by the manufacturer.
 - f. Periodically inspect the irrigation system to ensure proper water use and to correct any leaks, misdirected, or excessive watering.
 - g. Periodically inspect the ground surface around the foundations of the Residence to ensure that no water is pooling near the foundations.
 - h. Maintain rain gutters and roof drainage systems in a clean and proper operating condition at all time.
 - i. Take such other prudent steps as may be appropriate to prevent mold and eliminate any existing mold in the Development.

COMPLIANCE WITH ARCHITECTURAL PROVISIONS

An Owner's right and responsibility for maintaining, repairing or replacing any portions of his or her Lot, including landscaping, shall be subject to any applicable provisions of the Governing Documents relating to landscaping and architectural control, including the Architectural Guidelines established and amended from time to time by the Board.

OWNER FAILURE TO MAINTAIN

1. The Board shall have the absolute discretion to determine whether any maintenance, repair, or replacement that is the responsibility of an Owner is necessary to preserve the appearance and value of the property comprising the Development, or any portion thereof, and may notify an Owner of the work the Board deems necessary.
2. The Board may, after written notice to the Owner and the right of a hearing before the Board, cause such work deemed by the Board to be emergency repairs to be done and charge the cost thereof to the Owner as a Reimbursement Assessment.
3. The Board has the authority to authorize immediate emergency repairs as specified herein in the event an Owner fails to perform such work within thirty (30) days after notification by the Board.

OWNER LIABILITY

In the event the need for any maintenance, repair or replacement by the Association is caused by the willful or negligent act or omission of an owner, members of any owner's household, or an Owner's tenants, Contract Purchaser, guests, invitees, or household pets, the cost of such maintenance, repair or replacement, including the cost of materials, labor, supplies, and services shall be charged to, and paid by, such Owner in form of a Reimbursement Assessment.

STORAGE

Storage of any of the following is prohibited:

- a. Flammable materials;
- b. Explosive materials;
- c. Radioactive materials;
- d. Hazardous materials, or
- e. Items that endanger the safety of units or common areas or that may cause an increase in insurance rates to the Association or to any other Owner.

CYCLES - PLAY TOYS AND OTHER EQUIPMENT

Unattended bicycles, tricycles, play toys or other equipment may not be left overnight in Front Yard Areas or areas visible from adjoining Lots or Common Area.

USE OF FIREARMS

1. The discharge of firearms, including air-powered firearms on any Lot or Common Area is prohibited.
2. Recreational use of firearms, including hunting, is prohibited.

GARAGE SALES

1. The use of Front Yard Areas and garages for garage sales or other activities that clutter areas visible from adjacent streets are prohibited.
2. Owners wishing to conduct garage sales shall do so only if permitted by the Association and are subject to any time limitations and other controls established by Rule of the Association Board of Directors.

MECHANICAL DEVICES

Mechanical or other devices on the roof or exterior surface of the structure on any Lot that is visible from the Common Area or other Lots is not permitted.

OIL TRAYS

1. No placement, use or maintenance of oil trays and other containers on driveways is allowed at any time.
2. The Owner or Occupant shall immediately remove any oil spot(s) on a driveway who's Unit is served by such driveway.

INSECTS AND RODENTS

No action, including leaving food or garbage exposed which attracts ants, termites, rodents or other pests onto or into any unit within the Community is permitted.

VIOLATIONS OF LAW

No activity on Lots or the use of Lots that violates any governmental rule, regulation, ordinance, statute or law now or in the future is permitted.

State of California
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 3 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAY - 3 2005

BRUCE McPHERSON
Secretary of State

MAY - 8 2005

**ARTICLES OF INCORPORATION
OF
JOINER VILLAGE HOMEOWNERS ASSOCIATION**

I

The name of this corporation is JOINER VILLAGE HOMEOWNERS ASSOCIATION.

II

This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law. More specifically, the corporation will own, repair, maintain and manage common areas, enforce the rules and regulations as adopted from time to time by the Board of Directors, and discharge such other lawful duties and responsibilities as may be required pursuant to the corporation's Bylaws and the Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded in the Office of the Placer County Recorder, with respect to the Joiner Village planned development in Lincoln, Placer County, California (the "Development").

III

The name and address in this state of the corporation's initial agent for service of process are Marlayna Harney, 3721 Douglas Blvd, Suite 100, Roseville, California 95661.

IV

This corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act. The association has no business or corporate office. The nine-digit ZIP code for the Development is 95648-2334; and the front street and the nearest cross street of the Development are Joiner Parkway and 5th Street. There is no managing agent for the corporation at the time these Articles of Incorporation are being filed.

V

This corporation is intended to qualify as a Homeowners Association under the applicable provisions of the Internal Revenue Code, and of the Revenue and Taxation Code of California. No part of the net earnings of this corporation shall inure to the benefit of any private individual, except as expressly provided in those sections with respect to the acquisition, construction, or provision for management, maintenance, and care of the corporation's property, and other than by a rebate of excess membership dues, fees, or assessments. In the event of the dissolution, liquidation, or winding up of the corporation, upon or after termination of the aforementioned real estate project in accordance with provisions of the Declaration, the corporation's assets remaining after payment, or provision for payment, of all known debts and liabilities of the corporation shall be divided among and be distributed to the members thereof in accordance with their respective rights therein.

VI

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this corporation.

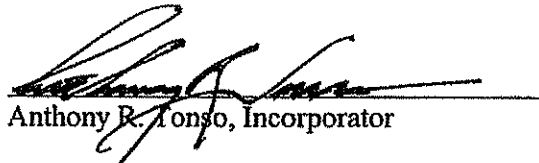
VII

The authorized number, and qualifications for membership in this corporation, the different classes of membership, the property, voting and other rights and privileges of members and their liability for dues and assessments and the methods of collection thereof, shall be as provided for in the Bylaws of this corporation and the Declaration.

VIII

So long as there are two classes of membership, any amendment of these Articles shall require the vote or consent by written ballot of (i) at least a bare majority of the Board of Directors; and (ii) at least a bare majority of the voting power of each class of members. After the conversion to a single class of memberships, any amendment of these Articles shall require the vote or consent by written ballot of (i) at least a bare majority of the Board of Directors; (ii) at least a bare majority of the voting power of the members; and (iii) at least a bare majority of the votes of members other than declarant, as defined in the Declaration.

Date: April 14, 2005


Anthony R. Tonso, Incorporator



BYLAWS

OF

JOINER VILLAGE HOMEOWNERS ASSOCIATION

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BYLAWS
OF
JOINER VILLAGE HOMEOWNERS ASSOCIATION**

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**BYLAWS
OF
JOINER VILLAGE HOMEOWNERS ASSOCIATION**

ARTICLE 1 NAME AND PURPOSE

1.1 Name and Location. The name of the corporation is Joiner Village Homeowners Association (the "Association"). The principal office of the Association shall be located in Placer County, California or at such other place reasonably convenient to the Development as the Board of Directors may from time to time establish.

1.2 Corporate Status. The Association has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (California Corporation Code, Section 7110 et seq.) as a nonprofit mutual benefit corporation, and is an "Association" as defined by California Civil Code Section 1351(a).

1.3 Specific Purpose. The specific and primary purpose of this Association shall be to maintain and enhance the property values of all of the property within the Joiner Village planned development located in the City of Lincoln, Placer County, California. The Association shall own, repair, maintain and manage the Common Area within Joiner Village, enforce the terms and conditions of the Declaration, the Rules adopted by the Board of Directors, from time to time, and to otherwise enhance and promote the use and enjoyment of the Common Areas by the Owners in common.

ARTICLE 2 DEFINITIONS

2.1 Declaration. "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Joiner Village, Recorded on June 23, 2005, as Instrument No. 2005-0080431 in the Official Records of Placer County, California, as such Declaration may from time to time be amended.

2.2 Other Definitions Incorporated by Reference. The terms defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

ARTICLE 3 MEMBERSHIP AND VOTING

3.1 Members and Term of Membership. Membership in the Association shall include, and shall be limited to, all Owners of any Lot located within the Development. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Upon becoming the Owner of a Lot, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as his or her Lot ownership ceases for any reason. Membership in the Association shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Lot to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Lot. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a Lot including a transfer upon the death of an Owner, Membership in the Association shall pass automatically to the transferee.

3.2 Classes of Membership. The Association shall have the following classes of membership:

(a) Class A Members. Each Owner, with the exception of Declarant, shall be a Class A Member of the Association. If a Lot is owned by more than one person, there shall be only one vote with respect to

such Lot. Declarant shall become a Class A Member upon the occurrence of the events specified in Section 3.3(c), below.

(b) Class B Members. The Class B Member shall be Declarant until the occurrence of the events specified in Section 3.3(c), below.

3.3 Voting Rights of Classes of Members.

(a) Members Entitled to Vote. Only Members of the Association shall be entitled to vote. The voting privileges of each class of Members shall be as provided herein. The tenants or lessees of any Lot within the Development shall have no voting or membership rights in the Association.

(b) Class A Members. Class A Members shall have one vote for each Lot that the Member owns. A Class A Member who has sold his or her property to a contract purchaser under an agreement to purchase shall delegate to such contract purchaser, by proxy, his or her membership rights in the Association. However, the contract seller shall remain liable for any default in the payment of Assessments by the contract purchaser until title to the property sold shall be transferred to the purchaser.

(c) Class B Members. The Class B Member shall be entitled to three votes for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the first to occur of the following events:

(i) The total outstanding votes held by Class A Members equal the total outstanding votes held by the Class B Members.

(ii) The second (2nd) anniversary of the first conveyance of a Lot in the Development by Declarant.

(d) Consent of Membership Classes. As long as there are Class A and Class B memberships within the Association, no action by the Association that must have the prior approval of the Members shall be deemed approved by the Members unless approved by the appropriate percentage of both classes of Members. With the exception of an action by the Owners to enforce bonded obligations pursuant to Section 3.8 of the Declaration, whenever any provision of these Bylaws or any other Governing Document of the Association requires the approval of a prescribed majority of the voting power of the Members "other than Declarant", the intent of the quoted phrase is that the action be approved by the vote or written assent of a bare majority of the Class B voting power as well as the vote or written assent of the prescribed majority of the total voting power of Members other than Declarant. After all the Class B memberships have been converted into Class A memberships, any such provisions shall be deemed to require the vote or written assent of a bare majority of the total voting power of the Association as well as the vote or written assent of the prescribed majority of the total voting power of Members other than Declarant.

3.4 Casting Votes.

(a) Voting at Membership Meetings. Voting at any membership meeting may be by voice or by ballot; provided, however, that the voting in any election of directors shall be conducted by secret ballot. The vote on any other issue properly before a meeting of the Members shall be conducted by secret ballot when determined by the chairman of the meeting, in his or her discretion, or when requested by ten percent (10%) of the Members present at the meeting.

(b) Voting by Written Ballot. In addition to voting in person or by proxy at a meeting, Members' votes may be solicited by written ballot with respect to any issue other than the election of directors in accordance with Section 4.11, below.

(c) Proxy Voting. Members otherwise eligible to vote at a meeting may do so in person or by proxy issued as provided in Section 4.7, below.

(d) Cumulative Voting. Each Member entitled to vote at any election of directors where two or more positions are to be filled shall have the right to cumulate his or her votes by giving one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of votes to which the Member is entitled, or by distributing his or her votes on the same principle among as many candidates as he or she desires. No Member shall be entitled to cumulate votes unless (a) the candidate's or candidates' name(s) have been placed in nomination before the voting, and (b) a Member has given notice at the meeting, and before the voting, of the Member's intention to cumulate his or her votes. If any one Member has given such notice, all Members may cumulate their votes for candidates in nomination. Those candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

(d) Multiple Owner Vote Allocation. Members in Good Standing shall be entitled to cast one (1) vote for each Lot owned. In the event more than one (1) person owns a given Lot, the vote for such Lot shall be exercised as the Owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If the joint Owners of a Lot are unable to agree among themselves as to how their vote or votes are to be cast, such vote shall be cast in accordance with the decision of a majority of such Owners. If there is no such majority, the vote for the Lot shall not be cast either in favor of or opposed to the issue or issues which are the subject of the vote, but the membership shall be counted for purposes of determining whether the quorum requirements applicable to the vote or meeting have been met. If any Owner casts a vote representing a certain Lot and no written objection thereto is received by the Secretary prior to the close of voting, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Lot.

3.5 Assignment of Membership Rights. A Member who has sold his or her Lot to a Contract Purchaser shall be entitled to assign to such Contract Purchaser his or her rights and privileges of membership in the Association and shall be deemed to have assigned to a Contract Purchaser who has assumed occupancy of the Member's Residence all rights of use and enjoyment of the Common Area. No assignment of any membership rights or privileges to a non-resident Contract Purchaser shall be binding, however, until the Board of Directors has been notified thereof in writing. Notwithstanding any assignment, until fee title to the Lot has been transferred of record, a Contract Seller shall remain liable for all assessments, fines, and other charges imposed by the Board and for compliance with the Governing Documents by all Residents of his or her Lot. Any Member who has leased or rented his or her Residence to another person or persons shall in all events be deemed to have assigned to his or her tenants all rights of use and enjoyment of the Common Area. It is the express purpose and intent of the provisions of this section to limit the right of use and enjoyment of the Common Area to Residents of the Development and their guests.

3.6 Record Dates. The record dates for notice of meetings of Members and voting shall be determined as follows:

(a) Record Dates for Notice of Meetings. The Board of Directors may fix a time not more than 90 days and not less than 10 days preceding the date of any meeting of the Members as the record date for determining the Members entitled to notice of any such meeting. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to notice of any meeting shall be the close of business on the business day preceding the day on which notice is given or, if notice is waived, the close of business on the business day preceding the day on which the meeting is held. Only those persons or entities identified as Members in the records of the Association on the record date shall be entitled to notice of such meeting.

(b) Record Dates for Voting. The Board of Directors may fix a time not more than 60 days preceding the date of any meeting of the Members as the record date for determining the Members entitled to vote at any such meeting. In the event no such record date is fixed by the Board of Directors, the record

date for the determination of Members entitled to vote at any meeting shall be the day of the meeting or, in the case of an adjourned meeting, the day of the adjourned meeting. Only Members in Good Standing as of the record date shall be entitled to vote at such meeting.

(c) Record Dates for Actions Without a Meeting. The Board of Directors may fix a time not more than 60 days before the day on which the first written ballot is mailed or solicited as the record date for determining the Members entitled to cast written ballots with respect to any action proposed to be taken without a meeting pursuant to Section 4.11. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to cast written ballots with respect to any proposed action shall be the day on which the first written ballot is mailed or solicited. Only Members in Good Standing as of the record date shall be entitled to receive written ballots and vote on the proposed action.

(d) Entitlement to Notice and Vote. Only Members are entitled to receive notice of meetings and only Members in Good Standing are entitled to vote.

ARTICLE 4 MEETINGS OF MEMBERS

4.1 Annual Meeting. The first annual meeting of the Members shall be held not more than forty-five (45) days after the closing of the sale of the Lot which represents the 51st percentile subdivided interest authorized for sale under the first public report for the project, but in no event shall the first meeting be held later than six (6) months after the close of escrow for the sale of the first Lot. Thereafter, the annual meeting of the Members shall be held annually at a date and time established by the Board.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors or pursuant to the written request of Members entitled to cast at least five percent (5%) of the Total Voting Power of the Membership.

4.3 Notice of Meetings.

(a) Notice Period. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or other person authorized to give notice of a meeting. Written notice shall be mailed first class, postage prepaid, or otherwise delivered at least 10 but not more than 90 days before such meeting, to each Member entitled to vote at such meeting, except that in the case of a special meeting called pursuant to a written request of Members, notice of such special meeting shall be mailed or otherwise delivered within 20 days after receipt of such written request by the Board, and the date of such special meeting shall be set by the Board and shall be not sooner than 35 days nor later than 90 days after the date of the Board's receipt of such written request.

(b) Content of Notice. Notice of meetings shall be addressed or otherwise delivered to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Notice of any meeting of Members shall specify the date, hour, and place of the meeting, and the general nature of those matters which the Board intends to present for action by the Members.

(c) Matters to be Transacted. With respect to special meetings, only those matters referred to in such notice may be transacted. With respect to regular meetings, and notwithstanding the foregoing, any proper matter may be presented at the meeting for action by the Members, except that if the meeting is actually attended, in person or by proxy, by less than one-third (1/3) of the Total Voting Power of the Association, the Members may act only on matters the general nature of which has been set forth in the notice of such meeting.

4.4 Conduct of Meetings. All meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure, such as Robert's Rules of Order, or such parliamentary procedures as the Association may adopt. A reasonable time limit for all Members to speak at a meeting of the Members shall be established by the Board of Directors.

4.5 Place of Meetings. Annual and special meetings shall be held at a convenient place located as close as reasonably practicable to the Development.

4.6 Quorum.

(a) Percent of Members Required. The presence at any meeting, in person or by proxy, of Members entitled to cast at least twenty five percent (25%) of the Total Voting Power shall constitute a quorum for the transaction of any business except that the quorum requirement for any assessment increases described in Section 6.5(d) and Section 6.6(c) of the Declaration shall require the presence, in person or by proxy, of Members entitled to cast more than fifty percent (50%) of the Total Voting Power of the Association.

(b) Adjournment. If, however, such quorum shall not be present or represented at any meeting, the Members otherwise entitled to vote at that meeting may not transact any business but may adjourn the meeting from time to time, to be reconvened at a subsequent date which is not less than five days and not more than thirty (30) days from the time of the adjourned meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. The quorum for an adjourned meeting of the Members originally called for any purpose other than to recall one or more members of the Board of Directors or for any assessment increases described in Section 6.5(d) and Section 6.6(c) of the Declaration shall be fifteen percent (15%) of the Members. The quorum requirements of this section shall be subject to any other provisions of the Governing Documents specifically establishing a different quorum requirement. If the Association fails to obtain a quorum after three (3) attempts, unless there are more candidates than Board of Director positions subject to election pursuant to Section 5.3, below, the Board of Directors may appoint the nominated candidates to fill the vacant Board positions. If the vacant Board position is reserved for a Class A Member pursuant to Section 5.3(b), below, only a Class A Member shall be appointed to fill the position.

4.7 Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary. Any duly-executed proxy continues in full force and effect until an instrument revoking it or a duly-executed proxy bearing a later date is filed with the Secretary of the Association. Notwithstanding the preceding, no proxy shall be valid after the expiration of 11 months from the date of its execution. A proxy shall automatically cease upon conveyance by the Member of his or her Lot.

(a) Form of Proxy. A proxy covering any of the following matters shall not be valid unless it sets forth the general nature of the matter to be voted on:

(i) removal of any or all directors pursuant to California Corporations Code Section 7222;

(ii) filling a vacancy on the Board created by the removal of a director or to fill a vacancy not filled by the directors pursuant to California Corporations Code Section 7224;

(iii) voting on a transaction involving an interested director pursuant to California Corporations Code Section 7233;

(iv) amending the Articles or the Bylaws to repeal, restrict, create, or expand proxy rights pursuant to California Corporations Code Section 7613(f)(1);

- (v) amending the Articles pursuant to California Corporations Code Section 7812;
- (vi) voting on the sale or exchange of all or substantially all of the Association assets pursuant to California Corporations Code Section 7911(a)(2);
- (vii) voting on a merger pursuant to California Corporations Code Section 8012;
- (viii) voting on amendments to principal terms of a merger agreement pursuant to California Corporations Code Section 8015(a);
- (ix) voting to wind up or dissolve the Association as a corporation pursuant to California Corporations Code Section 8610;
- (x) voting on a plan of distribution of Association assets in the event of dissolution pursuant to California Corporations Code Section 8719.

(b) Choice Between Approval and Disapproval. Any form of proxy distributed to ten (10) or more Members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of matters intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited and shall provide, subject to reasonable specified conditions, that where a choice is specified the vote shall be cast in accordance with that choice.

4.8 Vote of the Members. If a quorum is present, in person or by proxy, the affirmative vote of a majority of the voting power so present and voting on any matter (that is, a Simple Majority) shall constitute the act of the Members, unless the approval of a greater number or proportion of Members is required by any provision of the Governing Documents or of law. The Members present at a meeting may continue to transact business until adjournment of the meeting notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken, other than adjournment, is approved by Members entitled to vote at least a majority of the voting power required to constitute a quorum, or by such greater number as required by law or by the Governing Documents.

4.9 Disclosure of Voting Results. For a period of 60 days following the conclusion of a meeting of the Members, the Association shall, upon written request from a Member, inform the Member of the result of any particular vote of the Members taken at such meeting, including the number of memberships voting for, the number of memberships voting against the ballot measure. If the matter voted on was the election of directors, the Association shall report the number of membership votes cast for each nominee for director.

4.10 Adjournment. Whether or not a quorum is present, any meeting of Members may be adjourned from time to time to be reconvened at a later time, subject to Section 4.6, by the vote of a majority of the Members present in person or by proxy at such meeting; however, in the absence of a quorum, no business other than adjournment may be transacted. If a time and place for the adjourned meeting to reconvene is not fixed by those in attendance at the original meeting in which a quorum was not present, or if for any reason a new date is fixed for the adjourned meeting to reconvene after adjournment, notice of the time and place of the adjourned meeting to reconvene shall be given to the Members in the manner prescribed for regular meetings in Section 4.3, above.

4.11 Action Without a Meeting.

(a) Types of Action Permitted. Any action which may be taken at a regular or special meeting, other than the election of Directors, may be taken without a meeting of the Members if the Association distributes a written ballot to every Member entitled to vote. The determination to seek Member approval for Association actions through the use of written ballots shall be made by a majority vote of the Board.

(b) Content of Ballots. Written ballots distributed to the Members shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal. The written ballots shall provide a reasonable time within which to return the ballot to the Association. The Board, at its discretion, shall have the power to extend the date within which ballots must be returned if ballots constituting the necessary quorum requirements for approval of the proposed action are not received by the original deadline set for their return.

(c) Quorum and Approvals Required. Approval by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum that would be required if the action were taken at a meeting, and the number of approvals equals or exceeds the number of votes that would be required to approve the action if it were taken at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(d) Content of Solicitation. The written ballot solicitation shall identify the number of responses needed to meet the quorum requirement and the percentage of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.

(e) Revocation of Ballot. A written ballot, once cast, may not be revoked.

ARTICLE 5 BOARD OF DIRECTORS; QUALIFICATIONS; TERM OF OFFICE

5.1 Number of Directors. The affairs of this Association shall be managed by or under the direction of a Board of Directors. The initial Board of Directors shall be comprised of three (3) persons designated by Declarant, and shall hold office until the first meeting of the membership to be held pursuant to Section 4.1, above. At the first annual meeting the Board shall be expanded to five (5) persons.

5.2 Qualification and Disqualification of Directors. Directors, officers, partners or employees of Declarant may be nominated by Declarant as Directors of the Association regardless of whether they are Owners. Except for Directors appointed by Declarant, all directors shall meet the following qualifications, and shall be subject to disqualification as follows:

(a) Good Standing Required. Only Members in Good Standing shall be eligible to be elected to or serve on the Board.

(b) Number of Owners per Lot on the Board. Only one Owner of a particular Lot may serve on the Board at any time.

(c) Disqualification. A person shall be deemed disqualified under the followings circumstances: (i) the person is found by a court of competent jurisdiction to be of unsound mind or has been convicted of a felony; (ii) the person fails within 60 days after receiving notice of election to accept such office, either in writing or by attending a meeting of the Board of Directors as a Director; (iii) the person is absent, without an excuse approved by the Board, from three consecutive meetings of the Board; and (iv) with respect to a Director who is or was a Member, the person ceases to be a Member in Good Standing.

5.3 Election of Board of Directors.

(a) Staggered Terms of Office. At each annual meeting of the Members, the Members shall elect, in alternating years, three (3) or two (2) Directors for terms of two (2) years each to replace those Directors whose terms are then expiring. At the first election of Directors, the two (2) Directors elected who receives the fewest votes shall serve a one year term. A Director's term of office shall commence immediately following his or her election and each Director shall serve until the expiration of his or her term and thereafter until a successor is elected, or until the earlier disqualification, death, resignation, or removal of such

Director. Any tie in the number of votes cast for candidates where more than one Director is to be elected shall be decided by random drawing or other method of chance as determined by the Board of Directors. There shall be no limitation on the number of consecutive terms to which a director can be re-elected.

(b) Special Rule for Election of Director by Class A Members. From the first election of the Board of Directors and thereafter for so long as the majority of the Voting Power of the Association resides with Declarant, or so long as there are Class B Memberships in the Association, not less than twenty percent (20%) of the Board shall be elected solely by the votes of Owners of Lots other than Declarant (i.e. the Class A Members). In the event that the provisions of this subparagraph are not satisfied in any particular election of Directors, those Directors elected to office by virtue, in whole or in part, of the receipt of Declarant's votes, and who received the least number of total votes shall resign to the extent necessary to create a sufficient number of vacancies on the Board to satisfy the twenty percent (20%) requirement noted above. Within thirty (30) days thereafter, a special meeting of the Class A Members shall be held for the purpose of electing persons to fill the vacancies on the Board of Directors thus created.

5.4 Removal of Directors .

(a) Removal, Generally. Except as provided in Section 5.4(b), and (c), below, any Director may be removed from the Board, with or without cause, by the vote of an Simple Majority of the Members at a meeting or by written ballot. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

(b) Protection of Cumulative Voting Rights. Unless the entire Board of Directors is removed from office, no director may be removed when the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election at which the same total number of votes were cast (or, if such action is taken by written ballot, all memberships entitled to vote were voted) and the entire number of directors authorized at the time of the director's most recent election were then being elected.

(c) Special Rule for Removal of Class A Director. Any director elected to office solely by the votes of Class A Members may only be removed from office by the votes of at least fifty-one percent (51%) of such Class A Members.

5.5 Vacancies. A vacancy shall exist on the Board of Directors in the event of the disqualification, death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Members fail to elect the full authorized number of Directors. A reduction in the authorized number of Directors shall not cause removal of a Director prior to the expiration of his or her term. The Board of Directors, by a majority vote of the Directors who meet all of the qualifications for Directors as set forth in Section 5.2, above, may declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

5.6 Filling Vacancies. Any vacancy occurring on the Board of Directors, except a vacancy created by the removal of a Director or due to an increase in the authorized number of Directors, may be filled by approval of the Board of Directors, or if the number of Directors then in office is less than a quorum, by the vote of a majority of the remaining Directors at a meeting of the Board, or by unanimous written consent of the Directors then in office, or by a sole remaining Director. A Director so chosen shall serve the remainder of the term of office of the Director whom he or she replaces. The Members may elect a Director at any time to fill any vacancy not filled by the Directors. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board or, if the Board fails to act, the Members may elect a successor to take office when the resignation becomes effective. A vacancy occurring on the Board of Directors due to the removal of a Director or due to an increase in the number of authorized Directors shall be filled by the vote of the Members pursuant to Article 6, below.

5.7 Compensation. No Director shall receive compensation for any service he or she may render to the Association as a Director. However, upon approval by the Board, any Director may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.

ARTICLE 6 NOMINATION AND ELECTION OF DIRECTORS

6.1 Nomination.

(a) Nomination Prior to the Meeting. Any person meeting the qualifications specified in Section 5.2 may place his or her name in nomination for election to the Board of Directors by giving written notice to the President or Secretary of the Association at any time before notice of the meeting at which the election of Directors is to be conducted is given to the Members.

(b) Nomination at the Meeting. Nominations of candidates for election to the Board of Directors may be made from the floor at any meeting of the Members where one or more Directors are to be elected.

(c) Qualification to Nominate. All nominations shall be made from among persons meeting the qualifications specified in Section 5.2.

(d) Notice of Nominees. The names of all persons who have been nominated as candidates for election to the Board of Directors pursuant to Section 6.1(a) by the time the notice of the meeting at which the election is to be conducted is prepared shall be set forth in such notice.

6.2 Election. At each election of Directors, the Members in Good Standing or their proxies may cast, in respect to each position on the Board to be filled, the number of votes allocated to each Member as provided in Section 3.2, above. The persons receiving the greatest number of votes shall be elected.

ARTICLE 7 MEETINGS OF DIRECTORS

7.1 Organizational Meetings. Immediately following each annual meeting of Members, the Board of Directors shall hold a meeting for the purpose of organization, election of officers, and transaction of other business, as appropriate.

7.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice to the Directors, at a place within the Development, or at a convenient place located as close as reasonably practicable to the Development, and on a day and at a time as fixed from time to time by resolution of the Board, or upon proper notice which conforms to the provisions of Section 7.5 of these Bylaws, at another place, day, and time as set forth in such notice.

7.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors.

7.4 Emergency Meetings. The President or any two (2) Directors may call an emergency meeting of the Board. An "emergency meeting" is defined as a meeting held to address circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide the notice to Members required by Section 7.6.

7.5 Notice to Directors. Except as otherwise provided in Section 7.2 of these Bylaws, notice of each meeting of the Board shall be communicated to the Directors by first class mail not less than four days prior to the meeting or by (i) personal delivery, (ii) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, (iii) telegraph, (iv) facsimile, or (v) electronic mail or other electronic means, not less than 48 hours prior to the meeting. In the event of an

emergency meeting as provided in Section 7.4, strict adherence to the notice requirements of this section shall not be required provided that a reasonable effort to give notice to each Director shall be made taking into consideration the nature and circumstances of the emergency. Notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, or an approval of the minutes thereof, whether before or after the meeting, nor must notice be given to any Director who attends a meeting without protesting, prior thereto or at its commencement, the lack of notice to that Director.

7.6 Notice to Members. Except for emergency meetings as provided for in Section 7.4 and executive sessions as provided for in Section 7.8, Members shall be given notice of the day, time, and place of each meeting of the Board of Directors, whether regular or special, at least four days' prior to such meeting. Notice shall be given to all Members by posting the notice in a prominent place or places within the Common Area and by mail to any Owner who has requested notification of Board meetings by mail, at the address requested by the Owner. Notice may also be given by (i) mailing or delivery to each Residence, or (ii) by newsletter, or (iii) by other means of communication reasonably designed to provide prior actual notice of such meeting.

7.7 Open Meeting. Regular and special meetings of the Board of Directors shall be open to all Members of the Association, except when the Board meets in executive session pursuant to Section 7.8. A reasonable time limit for all Members to speak to the Board shall be established by the Board.

7.8 Executive Session. The Board of Directors may meet in executive session to confer with legal counsel or to discuss and vote upon personnel matters, Member discipline, litigation in which the Association is or may become involved, and matters that relate to the formation of contracts between the Association and others. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested to do so by that Member, and that Member and any other person whose participation is, in the judgment of the Board, necessary or appropriate shall be entitled to attend the executive session. All Board of Director meetings held pursuant to a Member's request in accordance with California Civil Code Section 1367.1 shall be held in executive session.

7.9 Telephone Participation. Directors may participate in regular or special Board meetings through the use of conference telephone, electronic video screen communications, or other communications equipment to the extent permitted by law, including, without limitation, California Corporations Code Section 7211(a)(6) provided that, if notice to the Members of the meeting is required pursuant to Section 7.6, at least one Director must be physically present at the noticed location of the Board meeting.

7.10 Quorum. A majority of the number of Directors then in office, but not less than two Directors, shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board. Business may continue to be conducted if any action taken is approved by at least a majority of the Directors required to constitute a quorum notwithstanding the withdrawal of enough directors to leave less than a quorum.

7.11 Minutes of Meetings of Directors.

(a) Time for Publication of Minutes. Within thirty days after the date of any meeting of the Board, the Board shall make available to the Members either (i) the minutes of that meeting as adopted by the Board, (ii) those minutes as proposed for adoption which shall be marked to indicate draft status, or (iii) a summary of the minutes. Any matter discussed in an executive session shall be generally noted in the minutes of the Board and minutes of executive sessions shall not otherwise be required.

(b) Copies of Minutes. Copies of the minutes, proposed minutes, or summary of minutes shall be provided to any Member of the Association upon request and upon reimbursement of the Association's

costs in providing such copies. The Board may, but shall not be required to, post the minutes of its meetings on an internet site.

(c) Notice of Right to Obtain Copies of Minutes. Members of the Association shall be notified annually in writing either at the time that the pro forma budget required under California Civil Code Section 1365 is distributed or at the time of any other general mailing to the entire membership of the Association of their right to obtain copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

7.12 Action Without a Meeting. An action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as a unanimous vote of the Directors. If the Board resolves to take any action by unanimous written consent, an explanation of the action taken shall be posted at a prominent place or places within the Common Area within three (3) days after the written consents of all Board members is obtained. If the Board deems the Common Area as unsuitable for posting the explanation of the action taken, the Board shall communicate the explanation to the Members by any means it deems appropriate.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

8.1 Powers, Generally. In addition to such other powers as may be expressly set forth in Article 2 of the Declaration, and elsewhere in the Governing Documents or provided by law, the Board of Directors shall have the powers set forth in below in Sections 8.1 through 8.16.

8.2 Rules and Regulations. The Board shall have the power to adopt, publish, amend, repeal, and enforce Rules and regulations governing the administration, management, operation, use, and occupancy of the Development, including, without limitation, the use of the Common Area and facilities, the personal conduct of the Members and their tenants and guests within the Development, and any other matter which is within the jurisdiction of the Association. The procedure for the adoption and modification of Rules by the Board with respect to the matters specified in Section 8.2(i) shall be as follows:

(a) Notice of Proposed Rule Change. The Board shall provide written notice of a proposed new Rule, a change to an existing Rule or the repeal of an existing Rule, concerning matters specified in Section 8.2(i) (a "Rule Change"), to the Members at least 30 days before adopting the same. The notice shall include the text of the proposed Rule Change and a description of the purpose and effect of the same. Notice is not required under this subsection if the Board determines that an immediate Rule Change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the Association.

(b) Decision on Rule Change. A decision on a proposed Rule Change shall be made at a meeting of the Board, after consideration of any comments made by Members.

(c) Notice of Rule Change. As soon as possible after making a Rule Change, but not more than 15 days after making the Rule Change, the Board shall deliver notice of the Rule Change to all Members. Members are deemed to have been notified of a Rule Change on delivery of notice of the Rule Change, or on enforcement of the resulting Rule, whichever is sooner. If the Rule Change was an emergency Rule Change made under Section 8.2(d), the notice shall include the text of the Rule Change, a description of the purpose and effect of the Rule Change, and the date that the Rule Change expires.

(d) Emergency Rule Change. If the Board determines that an immediate Rule Change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, it may make an emergency Rule Change. In such case, the notice specified in Section 8.2(a)

shall not be required. An emergency Rule Change is effective for 120 days, unless the Rule Change provides for a shorter effective period. A Rule Change made pursuant to this subsection may not be readopted pursuant to this subsection.

(e) Delivery of Notice of Rule Change. Delivery of notices required by this section is governed by Section 12.5.

(f) Meeting for Reversal of Rule Change. Members may call for a special meeting of the Members in accordance with Section 4.2 to reverse a Rule Change adopted by the Board, provided that the same is delivered within 30 days after the Members are notified of the Rule Change.

(g) Reversal of Rule Change. The Rule Change adopted by the Board may be reversed by the affirmative vote of at least two-thirds (2/3) of the Total Voting Power. In lieu of calling the meeting described in this section, the Board may utilize a written ballot in accordance with Section 4.12. As soon as possible after the close of voting, but not more than 15 days after the close of voting, the Board shall provide notice of the results of the Member vote held pursuant to this section to every Member. This section does not apply to an emergency Rule Change made under Section 8.2(d).

(h) Readoption of Reversed Rule. A Rule Change reversed by the Members pursuant to Section 8.2(g) may not be readopted for a period of one year after the date of the meeting reversing the Rule Change. Nothing in this section precludes the Board from adopting a different Rule on the same subject as the Rule Change that has been reversed.

(i) Applicable Rules. Sections 8.2(a) through (h) shall only apply to a Rule that relates to one or more of the following subjects:

(i) Use of the Common Area.

(ii) Use of a Lot, including any aesthetic or architectural standards that govern alteration of any improvements to a Lot.

(iii) Member discipline, including any schedule of monetary penalties for violation of the Governing Documents and any procedure for the imposition of penalties.

(iv) Any standards for delinquent Assessment payment plans.

(v) Any procedures adopted by the Association for resolution of Assessment disputes.

(j) Inapplicability of Rule Change Procedure. The requirements of Section 8.2(a) through (h) shall not apply to any other actions of the Board, including without limiting the following:

(i) A decision regarding maintenance of the Common Area.

(ii) A decision on a specific matter that is not intended to apply generally.

(iii) A decision setting the amount of a Regular or Special Assessment.

(iv) A Rule Change that is required by law, if the Board of Directors has no discretion as to the substantive effect of the Rule Change.

(v) Issuance of a document that merely repeats existing law or the Governing Documents;

8.3 Contracts. Subject to the limitations on contracts described in Section 8.17 below, the Board shall have the power to authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association or to render the Association liable for any purpose or on any account.

8.4 Determination of Good Standing. The Board shall have the power to determine, after notice to the Member and an opportunity for a hearing by the Board, that a Member is not a Member in Good Standing during any period in which the Member is in default in the payment of any assessment, fine, or other charge levied by the Board or is in violation of any provision of the Governing Documents. However, a Member shall not be denied any privileges of membership except upon an explicit finding by the Board of Directors, after notice and an opportunity for a hearing, that a Member is not a Member in Good Standing for specified reasons. A Member found by the Board to be not a Member in Good Standing shall be deemed to continue in that status until the Board shall make a determination, either upon the Board's own initiative or upon the request of the Member, that such Member is, once again, a Member in Good Standing of the Association;

8.5 Sanctions; Hearings; Continuing Violations. The Board shall have the power to impose any or all of the sanctions, and conduct hearings, as indicated below:

(a) Imposition of Fines. The Board shall have the power to establish and impose fines, which shall be Enforcement Assessments as provided in Section 6.8 of the Declaration, for the infraction of any provision of the Governing Documents in accordance with a schedule of fines adopted by the Board and distributed to all Members. The fines shall be in such amount as the Board of Directors, in its discretion, shall determine and may be imposed on a per day basis for the period that the violation continues in the case of a continuing violation as discussed below.

(b) Suspension of Rights. The Board shall have the power to suspend the voting or other membership rights and privileges of a Member, including the right to use the recreational facilities (i) during any period in which such Member shall be in default in the payment of any Assessment, fine or other charge levied by the Association, and (ii) for any infraction of the Governing Documents.

(c) Hearings. Except as provided in Section 10.7 of the Declaration and Section 8.5(e) below, before any action is taken or discipline is imposed upon a Member, the Board shall hold a meeting to consider the matter.

(d) Notice of Hearings. At least ten days prior to any Board meeting where the imposition of discipline upon a Member is to be considered, the Board shall provide written notice of the meeting to the Member by either personal delivery or first-class mail. The notice shall contain at least (i) the date, time and place of the meeting, (ii) the nature of the alleged violation for which the Member may be disciplined, and (iii) a statement that the Member has a right to attend the meeting and may address the Board at the meeting.

(e) Hearings in Emergency Situations. When corrective action is taken in emergency situations as specified in Section 10.7 of the Declaration:

(i) The Board may act on its own initiative to schedule a hearing.

(ii) If the Board has not scheduled a hearing and the disciplined Member desires a hearing, the Member's written request therefor shall be delivered to the Association no later than ten days following the date when the notice of the Board's disciplinary action is transmitted to the Member. The hearing shall be held within 30 days following the receipt by the Board of the Member's request for a hearing.

(iii) If a hearing is scheduled or requested, any discipline already imposed shall be held in abeyance and shall become effective only if affirmed at the hearing.

(iv) Notification of all hearings shall be made in accordance with Section 8.5(d).

(f) Continuing Violations. In the case of a continuing violation, the Board may deem such continuing violation to constitute two or more separate and distinct violations of the same Governing Document provision and may impose separate and successive sanctions for each such violation. However, the Board shall not impose a separate sanction for violation of the same provision more frequently than once per day.

(g) Notice of Discipline. If the Board imposes discipline upon a Member, the Board shall provide the Member with written notification of the disciplinary action, by either personal delivery or first-class mail, within 15 days following the action.

8.6 Manager. The Board shall have the power to engage the services of a manager or management company as either an employee or an independent contractor, and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties;

8.7 Professional Advisors. The Board shall have the power to consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out its authority and responsibility under the Governing Documents and the law, and to pay for such professional services;

8.8 Investment of Reserve Funds. The Board shall have the power to invest Association reserve funds in prudent investments subject to the provisions of Section 9.5 of these Bylaws;

8.9 Entry for Repairs. The Board shall have the power to enter any Lot, whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any maintenance, repair, construction, or replacement for which the Association is responsible or which it is authorized to perform, including without limitation the authorization provided in Section 7.6 of the Declaration. Although under no obligation to do so, the Board, in its complete and sole discretion, may enter or may authorize the Association's agents to enter any Lot to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Lot, any other Lot or the Common Area. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations;

8.10 Property Taxes. The Board shall have the power to pay all real property taxes and assessments levied upon any property within the Development to the extent not separately assessed to the Owners. Such taxes and assessments may be contested or compromised by the Association provided that any such taxes are paid or that a bond insuring the payment is posted;

8.11 Education. The Board shall have the power to join educational and trade organizations, attend seminars and events, and subscribe to publications which provide information regarding common interest developments, their management, the duties and obligations of the Board of Directors, and the general operational aspects of the Association.

8.12 Association Property. The Board shall have the power to subject to the provisions of the Declaration, including any required approval of Members, acquire, own, hold, convey, transfer, dedicate, or otherwise dispose of real or personal property consistent with the purposes and powers of the Association and the management, administration, and operation of the Development or the business and affairs of the Association, and grant and convey easements, licenses, and rights of way in, over, upon, or under the Common Area;

8.13 Indemnification of Agents. The Board shall have the power to indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a director, officer,

employee, or agent of the Association or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, and other amounts, as those terms are defined by California law, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a director, officer, employee, or agent of the Association or member of any committee appointed by the Board;

8.14 Bank Accounts. The Board shall have the power to open bank accounts and designate signatories upon such bank accounts, subject to any restrictions set forth in the Governing Documents;

8.15 Borrowing. The Board shall have the power to borrow money in the name of the Association as provided in Sections 2.10 and 2.11 of the Declaration; and

8.16 Other Powers and Duties. The Board shall have the power to exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by other provisions of the Governing Documents, and undertake any action on behalf of the Association as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Association and/or the interests of the Association and its Members.

8.17 Limitation of Powers. The Board of Directors shall not take any of the following actions without the consent of a majority of a simple majority of the Class A Members of the Association, other the Total Voting Power of the Association pursuant to a meeting held pursuant to Article 4, above, or by written assent pursuant to Section 4.11, above:

(a) Contracts for a Term Longer than One Year. The Board shall not have the power to enter into a contract with a third party for the furnishing of goods or services to the Common Area or the Association for a term longer than one year. This restriction shall not apply to:

(i) FHA or VA approved management contracts;

(ii) public utility contracts where the rates charged for materials or services are regulated by the Public Utilities Commission; provided, however that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(iii) prepaid casualty or liability insurance policies not to exceed three (3) years, provided the policies provide for short rate cancellation by the insured;

(iv) lease agreements for laundry room fixtures and equipment not to exceed five (5) years' duration provided that the lessor under the agreement is not an entity in which Declarant has a direct or indirect ownership of ten percent (10%) or more;

(v) agreements for cable television services and equipment or satellite dish television services and equipment of not to exceed five (5) years' duration, provided that the supplier is not an entity in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(vi) agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five (5) years' duration; provided that the supplier or suppliers are not entities in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more; or

(vii) a contract for a term not to exceed three (3) years that is terminable by the Association after not longer than one year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.

(b) Capital Improvements. The Board shall not have the power to incur aggregate expenditures for capital improvements to the Common Areas in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that year.

(c) Sale of Property. The Board shall not have the power to sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(d) Compensation. The Board shall not have the power to pay compensation to members of the Board of Directors or the officers of the Association; provided, however, that directors and officers can be reimbursed for reasonable out-of-pocket expenses, verified in writing, incurred in carrying on the business of the Association.

(e) Vacancies on the Board. The Board shall not have the power to fill any vacancy on the Board of Directors created by the Member's removal of a Director pursuant to Section 5.4, above.

(f) Entry into Lots. The Board shall not have the power to enter into a Lot in a non-emergency situation unless the Owner is furnished with at least twenty-four (24) hours' written notice, except in the case of an emergency as more particularly described in Section 7.6 of the Declaration, and Section 8.5(e), above.

ARTICLE 9 DUTIES OF THE BOARD OF DIRECTORS

9.1 Records and Minutes. The Board of Directors shall cause to be kept a complete record of all its acts and the corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board, and Committees of the Board, and to present a statement thereof to the Members at the annual meeting of the Members.

9.2 Pro Forma Budget. The Board of Directors shall prepare and distribute to the Members annually, not less than 45 days nor more than 60 days prior to the beginning of each fiscal year, a pro forma operating budget which shall include all of the following:

(a) Estimate of Revenue and Expenses. The pro forma operating budget shall include an estimate of the Association's revenue and expenses for such fiscal year on an accrual basis;

(b) Summary of Reserves. The pro forma operating budget shall include a summary of the Association's reserves based upon the most recent review or study conducted pursuant to California Civil Code Section 1365.5, based only on assets held in cash or cash equivalents, which summary shall be printed in bold type and shall include all of the following:

(i) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component the Association is obligated to maintain, restore, repair, or replace;

(ii) A current estimate, as of the end of the fiscal year for which the study is prepared, of the amount of cash reserves necessary to maintain, restore, repair, or replace such major components;

(iii) The current amount, as of the end of the fiscal year for which the study is prepared, of accumulated cash reserves actually set aside to maintain, restore, repair, or replace such major components;

(iv) The percentage of the amount of cash reserves necessary [per Subparagraph (ii)] that is represented by the amount of cash reserves actually set aside [per Subparagraph (iii)];

(v) A statement regarding the mechanism or mechanisms by which the Board of Directors will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacement or repairs, or alternative mechanisms. The statement shall also include whether the Board of Directors has determined or anticipates that the levy of one or more special assessments will be required to restore, repair, or replace any of the major components or to provide adequate reserves therefor. If such assessments will be required, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.

(vi) A general statement setting forth the procedures used for the calculation and establishment of reserves to defray the future cost of repair, replacement, or additions to those major components that the Association is obligated to maintain, restore, repair, or replace.

(c) Distribution of Pro Forma Summary. In lieu of the distribution of the pro forma operating budget, the Board may distribute a summary of such budget to all Members together with a written notice that the budget is available at the office of the Association or at another suitable location within the boundaries of the Development and that copies will be provided to a Member upon a Member's request and at the expense of the Association. If any Member so requests, the Association shall provide a copy of the pro forma operating budget to such Member by United States mail first-class postage prepaid, and such copy shall be mailed within five (5) days of such request. The written notice that is distributed to each Association Member as set forth herein shall be set forth in at least 10-point bold type on the front page of the summary of the budget.

9.3 Reserve Study. The Board of Directors shall cause to be conducted, at least once every three years, a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements of the Development if the current replacement value of such major components is equal to or greater than one-half of the gross budget of the Association for the fiscal year, excluding the Association's reserve account for that year. The Board shall review the reserve study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review. The reserve study required by this section shall include the minimum requirements specified in California Civil Code Sections 1365.2.5 and 1365.5 or comparable successor statute.

9.4 Reserve Funds. The Board of Directors shall not expend funds designated as reserve funds for any purpose other than the maintenance, restoration, repair, or replacement of, or litigation involving the maintenance, restoration, repair, or replacement of, major components which the Association is obligated to maintain, restore, repair, or replace and for which the reserve fund was established; provided, however, that the Board may authorize a temporary transfer of money from a reserve fund to the Association's general operating fund to meet 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, and provided, further, that any such transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except as otherwise expressly provided by law. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account;

9.5 Investment of Reserve Funds. The Board of Directors shall manage and invest Association reserve funds in a prudent manner designed to achieve the primary objective of preserving principal while realizing a reasonable return and to assure the availability of funds as they are needed based upon the most recent reserve fund study obtained by the Board as provided in these Bylaws and by law;

9.6 Review of Accounts. The Board of Directors shall review the Association's operating and reserve accounts at least in accordance with the following minimum requirements:

(a) Operating Accounts. The Board of Directors shall review a current reconciliation of the Association's operating accounts on at least a quarterly basis;

(b) Reserve Accounts. The Board of Directors shall review a current reconciliation of the Association's reserve accounts on at least a quarterly basis;

(c) Compare Reserve to Budget. The Board of Directors shall review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget;

(d) Account Statements. The Board of Directors shall review the latest account statements prepared by the financial institutions where the Association keeps its operating and reserve accounts;

(e) Income and Expense Statements. The Board of Directors shall review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis; and

(f) Definition of "Reserve Accounts". As used in this Section 9.6, the term "reserve accounts" shall mean monies that the Board has identified in its annual budget for use to defray the future costs of repair or replacement of, or additions to, those major components which the Association is obligated to maintain, restore, repair, or replace.

9.7 Annual Financial Statements.

(a) Annual Report. The Board of Directors shall cause an annual report to be prepared not later than 120 days after the close of the Association's fiscal year. Such annual report shall contain in appropriate detail (i) a balance sheet as of the end of the fiscal year, (ii) an income statement for such fiscal year, (iii) a statement of changes in financial position for such fiscal year, (iv) a statement of the place where the names and addresses of the current Members are located, and (v) any information required by California Corporations Code Section 8322. The annual report shall be accompanied by any report of independent accountants, or, if there is no such report, by a certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association. The latest annual report shall be sent to any Member promptly upon his or her written request.

(b) Review of Financial Statements. The Board of Directors shall for any fiscal year in which the gross income to the Association exceeds \$75,000.00, distribute to all Members of the Association within 120 days after the close of such fiscal year a review of the financial statements of the Association prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy;

9.8 Notification Regarding Insurance Coverage. In accordance with California Civil Code Section 1365, not more than 30 days nor more than 90 days immediately preceding the beginning of the Association's fiscal year, the Board of Directors shall prepare and distribute to all Members a summary of the Association's property, general liability, and earthquake and flood and fidelity insurance policies, if any. The summary shall include the name of the insurer, the type of insurance, the policy limits of the insurance, and the amount of deductibles, if any. The Association's disclosure obligations may be satisfied by distributing to the Members a copy of the insurance policy declaration page, so long as that page presents the information specified in the preceding sentence. As soon as reasonably practicable, the Association shall notify the Members by first-class mail if any of the policies described above 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 for any of those policies. If the Association receives any notice of nonrenewal of a policy described above, the Association shall immediately notify the Members if replacement coverage will not be in effect by the date the existing coverage will lapse. The summary distributed pursuant to this section shall contain the statement required by California Civil Code Section 1365(e)(4), the current

version of which is set forth on attached Exhibit "A". The statement shall be printed in at least 10-point boldface type.

9.9 Annual Notifications to Members.

(a) Lien Rights and Remedies. The Board of Directors shall distribute to the Members annually statement describing the Association's policies and practices in enforcing lien rights and other legal remedies for default in payment of assessments as required by California Civil Code Section 1365(d).

(b) Alternative Dispute Resolution. The Board of Directors shall distribute to the Members annually a summary of the statutory provisions relating to employing alternative dispute resolution procedures in certain matters related to enforcement of the governing documents which specifically references California Civil Code Section 1369.510 et seq. and which includes the language required by California Civil Code Sections 1363.850 and 1369.590. The current version of the 1369.590 summary and the Association's initial dispute resolution procedures are set forth on attached Exhibit "B". The summary shall be provided either at the time the budget required by Section 9.2 of these Bylaws is distributed or in the manner specified in California Corporations Code Section 5016.

(c) Fines, Penalties and Sanctions. The Board of Directors shall distribute to the Members annually a copy of the procedures applicable to imposition of a fine or other monetary penalty, suspension of a Member's rights and privileges, or other sanctions, pursuant to California Civil Code Section 1363(g).

(d) Insurance. The Board of Directors shall distribute to the Members annually a notice and statement concerning the insurance carried by the Association as required by Section 9.8 of these Bylaws and California Civil Code Section 1365(e).

(e) Pro Forma Operating Budget. The Board of Directors shall distribute to the Members annually a pro forma operating budget as required by Section 9.2 of these Bylaws and California Civil Code Section 1365(a).

(f) Copies of Minutes. The Board of Directors shall distribute to the Members annually a statement explaining the Members' right to obtain copies of minutes of meetings of the Board as required by Section 7.11 of these Bylaws and by California Civil Code Section 1363.05(e);

(g) Assessments and Foreclosure. The Board of Directors shall distribute to the Members annually the notice regarding assessments and foreclosure required by California Civil Code Section 1365.1, the current version of which is set forth on attached Exhibit "C". The notice shall be printed in at least 12-point type and shall be distributed during the 60-day period immediately preceding the beginning of the Association's fiscal year.

9.10 Notice of Assessments. As more fully provided in the Declaration, the Board of Directors shall: (i) send written notice to each Owner in advance of each fiscal year of the regular assessment levied against his or her Lot for that fiscal year; and (ii) collect assessments levied by the Association by foreclosing the lien against any property for which assessments are not paid as required in the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same. The Board of Directors shall establish and inform owners of a mailing address for overnight payments, and shall timely call such meetings as necessary to comply with any meeting requested by a Member pursuant to Civil Code Section 1367.1. To the extent one document provides the information required in more than one of the above listed items, any such requirements listed above may be satisfied by reviewing the same document.

9.11 Certificate of Payment of Assessments. The Board of Directors shall issue, or cause an appropriate officer to issue, upon demand by any proper person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such

certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

9.12 Insurance. To the extent they are available at a reasonable premium cost, the Board of Directors shall obtain and maintain in force the policies of insurance described in Article 10 of the Declaration.

9.13 Enforcement of Governing Documents. The Board of Directors shall enforce the provisions of the Governing Documents, as more particularly set forth in the Declaration, and perform all acts required of the Board under the Governing Documents or required by law.

ARTICLE 10 OFFICERS AND THEIR DUTIES

10.1 Enumeration of Officers. The officers of the Association shall be a President, a Vice-President, a Secretary, and a Chief Financial Officer (who may from time to time be referred to as the Treasurer), who shall at all times be members of the Board of Directors, and such other officers as the Board of Directors may, from time to time, by resolution appoint.

10.2 Election of Officers. The Board of Directors shall elect the officers. The election of officers shall take place immediately following the election of the Board of Directors, or at the first meeting of the Board of Directors following each annual meeting of the Members.

10.3 Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year, unless he or she shall sooner resign, be removed by the Board, or otherwise be disqualified to serve.

10.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

10.5 Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

10.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces, subject to the Board's right to remove an officer.

10.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 10.4 of these Bylaws.

10.8 President. The President shall be the chief executive officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and the other officers and the employees and agents of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board of Directors, shall have the general powers and duties of management usually vested in the office of the President of an Association, and shall have such other powers and duties as may be prescribed by the Board of Directors and the Bylaws, subject, however, to any limitations contained in the Declaration.

10.9 Vice-President. In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting, shall have all of the powers of, and be subject to all of the restrictions upon, the President. The Vice-President shall have such other powers and perform such other duties as, from time to time, may be prescribed by the Board of Directors.

10.10 Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may prescribe, a book of minutes of all meetings of Directors, Members, and Committees of the Board setting forth the time and place of holding of such meetings; whether regular or special, and if special, how authorized; the notice thereof given; the names of those present at meetings of the Board or of Committees of the Board; the number of memberships and votes present or represented at Members meetings; and all the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors required by the Bylaws or by law to be given and shall maintain a proper record of the giving of such notice, and shall keep the books, records, and documents of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

10.11 Treasurer. The Treasurer shall be responsible for the receipt and deposit in appropriate accounts of all monies of the Association and shall cause disbursement of such funds as directed by resolution of the Board of Directors; may sign all checks and promissory notes of the Association; shall cause to be kept proper books of account; shall cause an annual review of the Association's books and financial statements to be made by a public accountant at the completion of any fiscal year for which such review is required by law or as determined by the Board; shall assist the Board in preparation of an annual budget and a statement of income and expenditures to be presented to the Members of the Association as provided by law; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

ARTICLE 11 COMMITTEES

11.1 Committees of the Board. Any "Committee of the Board" (that is, a committee consisting only of Directors, as referred to in California Corporations Code Section 7212) shall consist of at least two (2) Directors and shall have such powers and duties as the Board shall determine, subject to the limitations of California Corporations Code Section 7212.

11.2 Standing Committees. The Board may appoint standing committees consisting of at least one (1) person who is not a Director. Directors may be members of committees created pursuant to this section provided that fewer than a majority of Directors then in office serve on any one such committee. Such committees shall not be required to keep minutes but shall report on their activities to the Board from time to time as directed by the Board and shall operate under the supervision of and at the direction of the Board. No standing committee shall have the authority to enter into contracts or otherwise act on behalf of the Association. The Board of Directors shall have the right at any time, in its complete discretion, to disband any standing committee or remove any member thereof.

11.3 Compensation of Committee Members. No committee member shall receive compensation for any service he or she may render to the Association as a committee member. However, upon approval by the Board, any committee member may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.

ARTICLE 12 BOOKS, RECORDS AND FUNDS

12.1 Record Keeping. The membership register, including mailing addresses and telephone numbers, books of account of the Association and the minute books of proceedings of the Members, the Board, and Committees of the Board shall, upon written request and during reasonable hours, be subject to inspection by any Member or his or her duly appointed representative, for any purpose, specified in writing,

which is reasonably related to such Member's interest as a Member of the Association. The Governing Documents shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. The Board may adopt and publish reasonable rules and regulations establishing procedures relating to a Member's inspection and obtaining copies of Association records.

12.2 Checks, Drafts, and Evidences of Indebtedness. All checks, drafts, or other orders for payment of money and all notes or other evidences of indebtedness, issued in the name of the Association shall be signed by (i) any two Directors, (ii) any two officers of the Association, (iii) any officer of the Association and any Director, or (iv) in any other manner specified by the Board of Directors; provided, however, that the signatures of at least two persons who shall be members of the Board of Directors or one member of the Board of Directors and one officer who is not a member of the Board of Directors shall be required for the withdrawal of funds from the Association's reserve account.

12.3 Funds and Deposits. Any funds of the Association shall be deposited to the credit of the Association in such banks or other depositories as the Board of Directors shall, from time to time, determine.

12.4 Fiscal Year. The fiscal year of the Association shall run from January 1 through December 31 of each year unless otherwise determined by resolution of the Board of Directors.

12.5 Delivery of Documents to Members.

(a) Document Distribution. All notices and documents distributed by the Association to Members shall be delivered by one or more of the following methods:

- (i) Personal delivery.
- (ii) First-class mail, postage prepaid, addressed to a member at the address last shown on the books of the Association or otherwise provided by the member. Delivery is deemed to be complete on deposit into the United States mail.
- (iii) E-mail, facsimile, or other electronic means, if the Member has agreed to that method of delivery. If a document is delivered by electronic means, delivery is complete at the time of transmission.
- (iv) By publication in a periodical that is circulated primarily to Members of the Association.
- (v) If the Association broadcasts television programming for the purpose of distributing information on Association business to its members, by inclusion in the programming.
- (vi) A method of delivery provided in a Recorded provision of the Governing Documents.
- (vii) Any other method of delivery, provided that the Member has agreed to that method of delivery.

(b) Delivery With Other Association Materials. A document may be included in or delivered with a billing statement, newsletter, or other document that is delivered by one of the methods provided in Section 12.5(a).

(c) Delivery Procedures in Unrecorded Governing Documents. For the purposes of this Section 12.5, an unrecorded provision of the Governing Documents providing for a particular method of delivery does not constitute agreement by a Member to that method of delivery.

ARTICLE 13 AMENDMENTS

13.1 Amendment Before Close of First Sale. Before the close of the first sale in the Development to a purchaser other than Declarant, these Bylaws and any amendments to them may be amended in any respect or revoked by the execution by Declarant and any Mortgagee of record of an instrument amending or revoking the Bylaws together with any consents or approvals that may be required by the Department of Real Estate. The amending or revoking instrument shall make appropriate reference to these Bylaws and their amendments.

13.2 Amendment After Close of First Sale. After the close of the first sale of a Lot within the Development to a purchaser other than Declarant, these Bylaws may be amended or revoked in any respect by the vote or assent by written ballot of an Absolute Majority, including the holders of not less than a majority of the Total Voting Power of each class of Members. If a two-class voting structure is no longer in effect in the Association because of the conversion of Class B membership to Class A membership, as provided in the Declaration, any amendment hereof will require the vote or assent by written ballot of both: (i) an Absolute Majority of the Association; and (ii) the vote of a majority of the Total Voting Power held by Members other than Declarant. Notwithstanding the foregoing, the percentage of the Total Voting Power necessary to amend a specific clause or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

13.3 Amendment By Board of Directors. The Board of Directors may, without the approval of the Members, amend any part of these Bylaws to the limited extent necessary to comply with a change in applicable federal, state or local legislation.

ARTICLE 14 MISCELLANEOUS

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

CERTIFICATE OF ADOPTION

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, incorporator of the corporation known as Joiner Village Homeowners Association, hereby certifies that the above and foregoing Bylaws, together with attached Exhibit "A," Exhibit "B," and Exhibit "C," were duly adopted by action of the incorporator on _____, 2005, and that they now constitute the Bylaws of the Association.

JOINER VILLAGE HOMEOWNERS ASSOCIATION,
a California nonprofit mutual benefit corporation

By: _____
Anthony R. Tonso, Incorporator

EXHIBIT "A"

STATEMENT REGARDING INSURANCE COVERAGE

This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

EXHIBIT "B"

ALTERNATIVE DISPUTE RESOLUTION DISCLOSURE

The Association supports the use of alternative dispute resolution procedures and follows the dispute resolution procedures described in California Civil Code Section 1369.510 et seq. Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the Association or another Member of the Association regarding enforcement of the Governing Documents or the applicable law.

THE ASSOCIATION'S DISPUTE RESOLUTION PROCEDURES

The Association's dispute resolution procedure for disputes between the Association and a Member involving the Davis-Stirling Common Interest Development Act (California Civil Code Section 1350 et seq.), the Nonprofit Mutual Benefit Corporation Law (California Corporation Code Section 7110 et seq.), or under the Governing Documents is as follows:

- (a) Either party to a applicable dispute may invoke the following procedure:
 - (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
 - (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
 - (3) The Association's Board of Directors shall designate a member of the Board to meet and confer.
 - (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
 - (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
- (b). An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
 - (1) The agreement is not in conflict with law or the Governing Documents.
 - (2) The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.
- (c) A Member of the Association may not be charged a fee to participate in the process.

EXHIBIT "C"

NOTICE REGARDING ASSESSMENTS AND FORECLOSURE

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND NONJUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as nonjudicial foreclosure. When using nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time (Sections 1366 and 1367.1 of the Civil Code).

In a nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this (Sections 1366 and 1367.1 of the Civil Code).

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association (Section 1367.1 of the Civil Code).

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt (Section 1367.1 of the Civil Code).

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard (Section 1367.1 of the Civil Code).

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments (Section 1367.1 of the Civil Code).

An owner may dispute an assessment debt by giving the board of the association a written explanation, and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution (Sections 1366.3 and 1367.1 of the Civil Code).

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time (Section 1367.1 of the Civil Code).

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist (Section 1367.1 of the Civil Code).

The board of the directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist (Section 1367.1 of the Civil Code).

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

INMAN • THOMAS, LLP
Bruce R. Inman, Esq.
2390 Professional Drive
Roseville, California 95661



PLACER, County Recorder
JIM MCCAULEY

DOC- 2005-0080431

Check Number 32611m

Thursday, JUN 23, 2005 09:04:51

MIC \$3.00 AUT \$49.00 SBS \$48.00

REC \$51.00

Ttl Pd \$151.00

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DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

JOINER VILLAGE

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OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
JOINER VILLAGE

This Declaration of Covenants, Conditions and Restrictions for Joiner Village (the "Declaration") is made by Beazer Homes Holdings Corp., a Delaware corporation ("Declarant").

RECITALS

A. Declarant is the owner of certain real property located in the City of Lincoln, Placer County, California, which is more particularly described as follows (the "Development"):

Lots 1 through 96, inclusive, Lots D, E, F, and G, as shown on the Subdivision Map entitled "Joiner Village" filed for Record on June 10, 2005, in Book AA of Maps, at Page 34, Official Records of Placer County.

B. Declarant hereby declares that all of the Development shall be held, sold and conveyed subject to the following easements, restrictions, associations, reservations, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development. These covenants, easements, restrictions, conditions, associations and reservations: (i) create a general plan and scheme for the subdivision development, sale and use of the Development as a "planned development" as that term is defined in California Civil Code section 1351(k); (ii) are for the benefit and protection of the Development and for the protection and enhancement of the desirability, value and attractiveness of all Lots and Common Area located therein; (iii) run with the Development and bind all parties having or acquiring any right, title or interest in the Development or any part thereof; and (iv) inure to the benefit of the successors and assigns of each Owner of any property within the Development.

C. It is the further intention of the Declarant to sell and convey residential Lots improved by single family Residences originally constructed by Declarant to Owners, subject to the protective covenants, conditions, restrictions, limitations, reservations, liens, grants of easements, rights, rights of way, charges and equitable servitudes between Declarant and such Owners as set forth in this Declaration and any duly adopted amendments thereto.

D. All of the real property comprising the Development is held and owned and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the Development and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the real property comprising the Development and any part thereof.

E. All of the covenants, conditions, and restrictions set forth in this Declaration shall constitute enforceable equitable servitudes as provided in California Civil Code Section 1354, shall constitute covenants that shall run with the real property comprising the Development, and shall be binding upon and inure to the benefit of each Owner of any portion of such real property or of any interest therein and their heirs, successors, and assigns.

ARTICLE 1 DEFINITIONS

1.1 Absolute Majority. "Absolute Majority" shall mean a majority of the Total Voting Power of the Association.

1.2 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures, including without limitation, interest, late charges, attorneys' fees, Recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments, fines, and/or penalties.

1.3 Architectural Review Committee. "Architectural Review Committee" shall mean the committee created pursuant to Article 8 of this Declaration.

1.4 Architectural Rules. "Architectural Rules" shall mean the rules and regulations adopted by the Architectural Review Committee pursuant to Section 8.6 of this Declaration.

1.5 Articles. "Articles" shall mean the Articles of Incorporation of the Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

1.6 Assessment. "Assessment" shall mean a charge levied by the Association against an Owner and his or her Lot as provided in Article 6 of this Declaration. "Assessment" shall include any or all of the following:

(a) Regular Assessments, which shall have the meaning set forth in Section 6.5 of this Declaration.

(b) Enforcement Assessments, which shall have the meaning set forth in Section 6.8 of this Declaration.

(c) Reimbursement Assessments, which shall have the meaning set forth in Section 6.7 of this Declaration.

(d) Special Assessments, which shall have the meaning set forth in Section 6.6 of this Declaration.

1.7 Association. "Association" shall mean the Joiner Village Homeowners Association, a California nonprofit mutual benefit corporation, its successors and assigns.

1.8 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.

1.9 Bylaws. "Bylaws" shall mean the Bylaws of the Association as they shall be adopted by the Members and any duly-adopted amendments thereof.

1.10 City. "City" shall mean the City of Lincoln, and its various departments, divisions, employees and representatives.

1.11 Common Area. "Common Area" shall mean all real property interests owned by the Association for the common use and enjoyment of the Owners and Residents of the Development. The Common Area owned in fee by the Association shall consist of lots D, E, F, and G, as shown on the

Subdivision Map, which shall include a park open space, roadways, a paseo walkway, and landscaped entry features. In addition, as more particularly shown on the Subdivision Map, certain driveways located on individual Lots are subject to private ingress/egress and utility easements for use by two (2) or more Lots. The driveway portions of such Lots served by the private ingress/egress and utility easement shall be deemed Common Area for the purpose of this Declaration.

1.12 Contract Purchaser/Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller, respectively, under an installment land contract in which title to the property is transferred after the final installment payment is made.

1.13 County. "County" shall mean Placer County, California, and its various departments, divisions, employees and representatives.

1.14 Declarant. "Declarant" means Beazer Homes Holdings Corp., a Delaware corporation. The term "Declarant" shall also mean any successor or assign of Declarant, provided a certificate, signed by Declarant and Declarant's successor or assign, is Recorded against the portion of the Development which the successor or assign assumes the rights and duties of Declarant.

1.15 Declaration. "Declaration" shall mean this instrument, as it may be amended from time to time. If any Supplemental Declarations or Declarations of Annexation are approved and Recorded in accordance with Article 14, below, then following such Recordation any reference to this Declaration shall mean this Declaration as amended and supplemented by the Supplemental Declaration(s) and any Declarations of Annexation.

1.16 Declaration of Annexation. "Declaration of Annexation" means a declaration annexing real property to the Development and subjecting the real property described therein to this Declaration, all as more particularly described in Article 14, below.

1.17 Development. "Development" means the real property described in Recital A, together with all Improvements now located or hereafter constructed or installed thereon, and all appurtenances thereto.

1.18 Director. "Director" shall mean a member of the Board of Directors of the Association.

1.19 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, Rules (including the Architectural Rules), and the policies and resolutions duly adopted by the Board.

1.20 Improvement. "Improvement" shall mean all structures and improvements including without limitation buildings, landscaping, paving, fences, and signs.

1.21 Lot. "Lot" shall mean any plot of land shown upon the Subdivision Map, with the exception of the Common Area lots.

1.22 Member. "Member" shall mean an Owner, and refers to membership in the Association

1.23 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all dues, Assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents, as may be more particularly set forth in the Bylaws.

1.24 Mortgage. "Mortgage" shall mean a deed of trust as well as a mortgage in the conventional sense. "First Mortgage" shall mean any Recorded Mortgage on a Lot with first priority over other Mortgages on such Lot. "Mortgagee" shall refer to a beneficiary under a deed of trust as well as to a mortgagee in the conventional sense.

1.25 Owner. "Owner" shall mean any person, firm, corporation or other entity in which fee title to a Lot is vested as shown by the official records of the office of the County recorder, including Contract Sellers, but excluding Contract Purchasers and excluding those having such interest merely as security for the performance of an obligation. If a Lot is transferred or conveyed to a trust, the Owner is the trustee or the co-trustees of such trust. A person or entity is not an Owner due to (a) community property or other equitable rights not shown of Record; or (b) rights of adverse possession not shown of Record. Where the context requires, the term "Owner" shall include the members of the Owner's household and the Owner's guests, tenants/lessees and invitees; provided, however, that such persons are not "Owners" for purposes of exercising voting rights in the Association.

1.26 Record; Recordation; Filed. "Record," "Recordation," and "Filed" shall mean, with respect to any document, the recordation or filing of such document in the official records of the County recorder's office.

1.27 Residence. "Residence" shall mean a residential structure located upon a Lot which is designed for human residential use and occupancy.

1.28 Resident. "Resident" shall mean any person who resides in a Residence on a Lot within the Development whether or not such person is an Owner.

1.29 Rules. "Rules" shall mean the rules and regulations governing the use, occupancy, management, administration, and operation of the Development or any part thereof as adopted and published by the Board of Directors from time to time, and the Architectural Rules as adopted and published by the Architectural Review Committee from time to time.

1.30 Subdivision Map. "Subdivision Map" shall mean the final subdivision map Filed with the County Recorder for any portion of the Development.

1.31 Supplemental Declaration. "Supplemental Declaration" means any declaration (as defined in California Civil Code Section 1351(h)), Recorded pursuant to Section 14 3, below, which supplements this Declaration and which may affect only a portion of the Development.

1.32 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one vote for each Lot, excluding any Lots as to which an Owner is not then a Member in Good Standing.

ARTICLE 2 HOMEOWNERS ASSOCIATION

2.1 Management and Operation. The Association, through the Board of Directors, shall manage and operate the Development in accordance with the applicable provisions of the Governing Documents and the applicable provisions of California law. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under the laws of the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

2.2 Membership. Every Owner of a Lot shall be a Member of the Association and shall remain a Member thereof until such time as his or her Lot ownership ceases for any reason. Membership shall be appurtenant to and may not be separated from ownership of a Lot and shall not be transferred, encumbered, pledged, alienated, or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Lot to which it is appurtenant.

2.3 Voting.

(a) Commencement of Voting Rights. Voting rights attributable to the ownership of Lots shall not vest until Assessments against those Lots have been levied by the Association.

(b) Classes of Membership. The Association shall have the following two classes of voting membership:

(i) Class A Members. Class A Members shall initially be all Owners except Declarant and shall have one membership for each Lot owned.

(ii) Class B Members. Declarant shall be the only Class B Member.

(c) Membership Voting Rights. Only Members in Good Standing shall be entitled to vote. The voting rights and other privileges of each class of membership and the conversion of Declarant's Class B membership into Class A memberships shall be as set forth in Article 3 of the Bylaws.

(d) Suspension of Voting Rights. A Member's voting rights may be temporarily suspended under those circumstances described in Section 10.5(b), below.

(e) Limitations on Declarant Voting Rights. With the exception of any membership vote pursuant to Section 3.8, below (relating to the enforcement of bonded obligations), no provision of any Governing Document requiring approval of a prescribed majority of the voting power of the Association other than Declarant is intended to preclude Declarant from casting votes attributable to any Lots owned by Declarant. Instead, approval by the Association's Members requires the approval of a bare majority of the Class B voting power as well as the approval of the prescribed majority of the Class A voting power. Once the Class B membership has been converted to Class A membership, the intent is to require the approval of a bare majority of the total voting power of the Association as well as the approval of the prescribed majority of the total voting power of the Association other than Declarant.

2.4 Board of Directors. The affairs of the Association shall be managed by or under the direction of a Board of Directors. The number and qualifications of Directors shall be as established in the Bylaws, and the members of the Board shall be elected as provided in the Bylaws. The Board of Directors shall have all of the powers and duties set forth in any provision of the Governing Documents, including without limitation such powers and duties as may be expressly set forth in this Declaration.

2.5 Association Rules. The Board of Directors shall have the power and the authority to establish, promulgate, amend, repeal, and enforce such rules and regulations, which shall be known as "Rules", as the Board deems necessary for the management and operation of the Development and the conduct of business and affairs of the Association. The Rules may concern, but need not be limited to, matters pertaining to use of the Common Area, signs, collection and disposal of refuse, minimum standards for maintenance of property, parking and traffic regulations, rental or leasing of Lots, the keeping of pets on Lots, and any other subject matter within the jurisdiction of the Association as provided in the Governing Documents or by law.

2.6 Manager and Other Personnel. The Board of Directors shall have the power and authority to employ a manager and such other persons or entities as the Board shall deem appropriate to assist it in managing the Development and conducting the business and affairs of the Association, as more particularly set forth in the Bylaws.

2.7 Capital Improvements. The Board of Directors shall have the power and authority to provide for the construction, reconstruction, installation, or acquisition of capital improvements upon the Common Area, provided that in any fiscal year expenditures for capital improvements shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year except upon the approval of at least a majority of each class of Members. This limitation shall not apply to the expenditure of any funds accumulated in a reserve fund for capital improvements so long as the expenditure is for the purpose for which the fund was established nor shall it apply to any reconstruction governed by Article 12 of this Declaration.

2.8 Sale or Transfer of Association Property. The Board of Directors shall have the power to sell the Association's property provided that the Board shall not, in any fiscal year, sell property owned by the Association having a value in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without approval of at least a majority of each class of Members.

2.9 Transfer or Dedication of Common Area to Public Agency or Utility. The Board of Directors shall have the power to dedicate or transfer all or any part of the Common Area to a public agency, authority or utility or other person or entity for such purposes and subject to such conditions as may be agreed to by the Board, and upon the approval of at least a majority of each class of Members.

2.10 Borrow Money. The Board of Directors shall have the power to borrow money in the name of the Association.

2.11 Mortgage of Association Property. The Board of Directors shall have the power and authority to mortgage, pledge, encumber, or otherwise hypothecate the real and personal property of the Association for money borrowed or debts incurred by the Association.

2.12 Mergers and Consolidations. The Association may (i) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes as the Association, or (ii) annex additional property to the Development, in accordance with Section 14.1, below

2.13 Dissolution. So long as there is any lot, parcel or area for which the Association is obligated to provide management, maintenance, preservation or control, the consent of all Members must be obtained for the Association to (i) transfer all or substantially all of its assets, or (ii) file a certificate of dissolution

2.14 Limitation of Liability. Neither the Association or its directors, officers, employees, agents or committee members (collectively and individually referred to as the "Released Party") shall be personally liable for damages or in equity 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 hereunder or pursuant to the Bylaws, even if such Released Party is negligent, provided that such Released Party has not acted in bad faith. This standard of care and limitation of liability shall extend, without limitation, to matters such as (i) the establishment of the Association's annual financial budget, (ii) the funding of Association reserve accounts, (iii) the discharge of the Association's maintenance, repair and replacement obligations, (iv) the enforcement of the Governing Documents, and (v) to any other fiduciary duties or responsibilities imposed by law or the Governing Documents.

ARTICLE 3

COMMON AREA

3.1 Purpose of Common Area. Subject to the provisions of the Declaration, the Common Area shall be held, maintained, and used to meet the common interests of the Owners, the members of the Owners' households, and the Owners' tenants, resident Contract Purchasers, and guests as provided in the Governing Documents.

3.2 Conveyance of Common Area. Declarant shall convey fee simple title to the Common Area parcels within the Development to the Association, free of all encumbrances and liens, with the exception of current real property taxes (which shall be prorated as of the date of such conveyance) and any easements, conditions and reservations then of record, including those set forth in this Declaration. Such conveyance shall be made prior to, or concurrently with, the first transfer or conveyance by Declarant of a Lot to a purchaser.

3.3 Owners Non-Exclusive Easements of Enjoyment. Every Owner shall have a non-exclusive easement of use of and enjoyment in, to, and throughout the Common Area. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Lot, subject to the following rights and restrictions:

(a) Adoption of Rules. The right of the Board of Directors to establish and enforce reasonable Rules governing the use of the Common Area and the facilities thereon including, without limitation, Rules (i) limiting the number of guests of Members permitted to use the Common Area and the facilities thereon at any one time, (ii) limiting the hours of use of the Common Area and the facilities thereon, (iii) regulating the use of the Common Area and the facilities thereon for group activities, and (iv) regulating parking upon and use of the Common Area roadways, provided that no Owners shall be denied ingress and egress over Common Area roadways to such Owner's Lot;

(b) Facility Fees. The right of the Board to charge reasonable admission and other use fees for any facilities situated upon the Common Area;

(c) Suspension of Use. The right of the Board, as more particularly addressed in the Bylaws, to suspend an Owner's right to use the recreational facilities located on the Common Area for (i) any period during which any Assessment against such Owner's Lot remains unpaid, and/or (ii) for violations of the Governing Documents by an Owner or any person for whom an Owner is responsible, provided that no Owners shall be denied ingress and egress over Common Area roadways to such Owner's Lot;

(d) Granting of Easements. The right of the Board, as set forth in Section 3.6 of this Declaration, to grant easements and rights of way in, on, over, or under the Common Area;

(e) Transfer to Public Agency. The right of the Board to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility;

(f) Encumber. The right of the Board to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and facilities thereon as security for money borrowed by the Association;

(g) Perform Obligations. The right of the Association or its authorized agents to perform its obligations under this Declaration, including, without limitation, obligations with respect to construction, maintenance, repair, or replacement for the benefit of the Common Area;

(h) Establish Signage. The right of the Association to establish, construct, maintain, repair and replace entrance signs, privacy gates, street signs, lights, maps, directories and other similar improvements upon the Common Area;

(i) Association Use Areas. The right of the Association to establish, construct, maintain, repair and replace facilities upon the Common Area including without limitation storage facilities and workshops, which may be necessary or convenient in the discharge of the Association's duties and the exercise of its rights under the Governing Documents;

(j) Development and Sales Rights. The right of Declarant and its employees, sales agents, prospective purchasers, customers and representatives, to enter upon and to use the Common Area for development and sales activities in accordance with Article 15, below. Such use shall not unreasonably interfere with the rights of use and enjoyment of the other Owners as provided herein.

3.4 Assignment of Rights of Use. Owners may assign their rights of use and enjoyment, including easements, in the Development to the members of their household, tenants, Contract Purchasers, guests and invitees, subject to the terms of the Governing Documents. Upon the leasing or renting of a Lot, or upon occupancy of a Lot by a Contract Purchaser, the Owner shall be deemed to have assigned all such rights exclusively to the tenants or Contract Purchasers of such Lot except that such Owner shall continue to have an easement for ingress and egress to such Owner's Lot to the extent necessary to discharge of the Owner's obligations and rights as a landlord. Each Owner shall notify the Secretary of the Association of the names of any tenants or any such Contract Purchasers of such Owner's Lot. Each Owner, tenant, or Contract Purchaser shall also notify the Secretary of the Association of the names of all members of his or her household to whom such Owner, tenant, or Contract Purchaser has assigned any rights of enjoyment in the Development as provided herein and the relationship which each such person bears to such Owner, tenant, or Contract Purchaser. Any rights of enjoyment assigned pursuant to this section are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents. It is the express purpose and intent of the provisions of this section to limit the right of use and enjoyment of the Common Area to Residents and their guests.

3.5 Common Area Construction. Following the conveyance of a Common Area lot or parcel to the Association, no person or entity other than the Association or its duly-authorized agents (i) shall construct, reconstruct, refinish, alter, or maintain any Improvement upon the Common Area, (ii) shall make or create any excavation or fill upon the Common Area, (iii) shall change the natural or existing drainage of the Common Area, or (iv) shall plant, remove, or destroy any seed, plant material, tree, shrub, or other vegetation upon the Common Area.

3.6 Easements Granted by Board.

(a) Common Area Easements. The Board shall have the power to grant and convey to any person or entity easements and rights of way, in, on, over, or under the Common Area for the purpose of (i) constructing, erecting, operating, or maintaining thereon, therein, or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone, public sewers, storm drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and (ii) for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association. Each Owner, in accepting a deed

to a Lot, expressly consents to such easements and rights of way. No such easements may be granted if they would materially interfere with the use, occupancy, or enjoyment by an Owner or Resident of his or her Lot without the consent of the affected Owner of the Lot.

(b) Exclusive Use Common Area Easements. The Board shall have the authority to execute and Record a maintenance agreement designating portions of the Common Area as "exclusive use common area", as defined in California Civil Code Section 1351(i), for the benefit of an appurtenant Lot, for the purpose of promoting an efficient division of the use and maintenance responsibilities between the Owners and the Association. An exclusive use common area maintenance agreement may be made with any Owner of adjacent property, including Declarant.

3.7 Mechanic's Liens. In the event there shall be Recorded against the Common Area a notice of mechanic's lien for, or purporting to be for, labor or materials alleged to have been furnished or delivered for any Owner or his or her Lot, such Owner shall immediately cause such lien to be discharged by payment, bond, or otherwise. If the Owner fails to cause the lien to be discharged, the Board may send written notice to the Owner specifying that unless the Owner causes the lien to be discharged within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five (5) day period, the Owner shall be granted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At that time, the Board shall determine whether the lien adversely and improperly affects and encumbers the rights and interests of the Association or the other Owners. If the Board of Directors determines that the lien does adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond, or otherwise. The Board shall have the right to levy a Reimbursement Assessment against the Owner responsible for causing the lien to be discharged in an amount equal to all amounts paid by the Association together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees.

3.8 Enforcement of Bonded Obligations.

(a) Board Consideration of Bond Enforcement. If any of the Common Area Improvements within the Development have not been completed when the California Real Estate Commissioner issues a final subdivision public report for the Development, and if the Association is the obligee under a bond or other arrangement ("bond") to secure performance of a commitment of Declarant to complete such Common Area Improvements, then the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any Improvements for which a notice of completion has not been filed within sixty (60) days after the completion date specified for that Improvement in the "planned construction statement" appended to the bond. However, if the Association has given an extension in writing for the completion of any Common Area Improvement, the Board shall consider and vote on the action to enforce the obligations under the bond only if a notice of completion has not been filed within thirty (30) days after the expiration of the extension.

(b) Members Right to Call Meeting to Enforce Bonds. If the Board fails to consider and vote on the action to enforce the obligations under the bond or decides not to initiate action to enforce the obligations under the bond, then on the petition in writing to the Board signed by Members representing not less than five percent (5%) of the total voting power of the Association other than Declarant, the Board shall call a special membership meeting for the purpose of voting to override the decision of the Board not to initiate action or to compel the Board to take action to enforce the obligations under the bond. The meeting shall be called by the Board by fixing a date not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of said petition. Notice of the meeting shall be given to all Owners entitled to vote in the manner

provided in the Bylaws for notices of special membership meetings. At the meeting, the vote in person or by proxy of a majority of the Owners entitled to vote (other than Declarant) in favor of taking action to enforce the obligations under the bond shall be deemed to be the decision of the Association and the Board shall then implement the Owners' decision by initiating and pursuing appropriate action in the name of the Association.

ARTICLE 4 USE RESTRICTIONS

4.1 Offensive Conduct, Nuisances, Noise. No noxious, harmful or offensive activities shall be conducted upon or within any part of the Development, nor shall anything be done thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any Residents of the Development, or which shall in any way interfere with their use of the Common Area and facilities thereon or the use and enjoyment of their Lots or Residences. Without limiting any of the foregoing, no Resident shall permit noise, including without limitation the barking of dogs or excessively loud music, to emanate from the Resident's Lot, which would unreasonably disturb another Resident's enjoyment of his or her Lot or of the Common Area. Nothing in this section shall be construed to limit the Association's ability to discharge its duties in accordance with the Governing Documents or otherwise manage the Development.

4.2 Residential Use. Except as specifically provided in Section 4.3, no Lot, or any portion thereof, shall be occupied or used for other than residential purposes.

4.3 Restriction on Businesses. No business of any kind shall be established, maintained, operated, permitted, or conducted within the Development except:

(a) Professional and Administrative. Those professional and administrative occupations as may be permitted by, and which are conducted in conformance with, all applicable governmental ordinances provided that there is no external evidence thereof, and further provided that the Board may, in its complete discretion, prohibit the conduct of any such activities which the Board determines to be incompatible with the nature and character of the Development or which, in the Board's opinion, may or does otherwise negatively impact the quality of life and property values within the Development.

(b) Development and Sales of Lots and Residences. As more particularly provided in Article 15, below, Declarant and any Merchant Builder shall be entitled to use Lots, and any Residences located thereon, owned by Declarant or the Merchant Builder, as models, sales offices or construction headquarters for the purpose of constructing Residences and marketing Lots or Residences within the Development.

(c) Permitted by Law. Those other businesses which by law must be permitted to be conducted within the Development.

4.4 Use of the Common Area. All use of the Common Area is subject to the Governing Documents. No alterations or additions to the Common Area shall be made except as authorized by the Board pursuant to the Governing Documents. Nothing shall be placed, kept, stored, or parked on the Common Area without the prior written consent of the Board, except by the Association. Without limiting the foregoing, no Owner shall place rubbish, debris, or other unsightly or unsanitary materials on the Common Area. Each Owner shall avoid causing damage to the Common Area.

4.5 Requirement of Architectural Approval. As addressed in greater detail in Article 8, construction, installation, modification, or alteration of buildings, outdoor structures, fences, awnings,

outdoor lighting and all other exterior Improvements are subject to approval of the Architectural Review Committee.

4.6 Sports Apparatus. Except for sports apparatus installed and maintained by the Association, no sports apparatus, whether portable or fixed, including without limitation basketball standards shall be permitted within the Development. As used in this section, the term "sports apparatus" does not include bicycles, roller skates, roller blades or any other similar unpowered wheeled equipment, provided that the Board of Directors shall have the discretion to adopt Rules governing the use of such unpowered wheeled equipment.

4.7 Window Coverings. Drapes, window shades, or shutters shall be installed in the windows of all Residences and garages and shall comply with any Rules adopted by the Board of Directors. In no event shall windows be painted, nor shall aluminum foil, newspaper, bed sheets, cardboard or similar materials be placed in windows. All window coverings shall be maintained in good repair and condition at all times.

4.8 Signs. To the extent permitted by law, the Board may adopt limitations on signs including, without limitation, restrictions on the size of the signs, the duration of their posting, and their location.

4.9 Antennas. No outside television antenna, aerial, satellite dish or similar device for the transmission or reception of television, radio, satellite, or other signals of any kind, are permitted within the Development, except as provided in this section. Antennas or satellite dishes with a diameter or diagonal measurement not greater than one meter which are designed to receive direct broadcast satellite services, video programming services via multi-point distribution services, or television broadcast signals (collectively "Permitted Dishes") may be erected, placed or installed on a Lot, subject to the following restrictions, provided that the application of these restrictions do not unreasonably delay installation or expense, or preclude reception of an acceptable quality signal:

(a) Dishes Not Visible from Streets. All Permitted Dishes shall be placed in locations which are not visible from the streets within the Development.

(b) Prioritized Placement Locations. All Permitted Dishes shall be installed at locations in accordance with a prioritized list of placement preferences, if such a list is adopted by the Architectural Review Committee.

(c) Reasonable Rules. All Permitted Dishes shall be installed in accordance with such reasonable restrictions which may be imposed as part of the Architectural Rules.

(d) Post Installation Review. The Architectural Review Committee may review the location and installation of Permitted Dishes after installation. After its review, to the extent permitted by law, the Committee may require a Permitted Dish be moved to a preferred location designated by the Committee.

4.10 Trash Disposal. Trash, garbage, accumulated waste plant material and all other waste and refuse shall be deposited only in covered sanitary containers or recycling containers in accordance with the following provisions:

(a) Screened Containers. Except as provided in Section 4.10(b), the containers shall be maintained upon each Lot and shall be screened or otherwise concealed from view from the Common Area, the streets or any other Residences.

(b) Container Pickup. The containers may be placed for pickup at a reasonable time prior to trash collection and shall be promptly stored as specified in Section 4 10(a) after collection. The Board may adopt Rules regulating the placement of containers for trash collection which Rules may include limitations on the period of time during which containers may be placed for collection.

(c) Trash Storage. No Owner or Resident shall permit or cause any garbage, trash or other waste or refuse to be kept upon any portion of any Lot outside of the Residence or elsewhere in the Development, except in such containers.

4.11 Vehicles and Parking.

(a) Limitations on Types of Vehicles

(i) Recreational Vehicles. No trailer, motor home, recreational vehicle, camper, or boat, shall be parked, kept or permitted to remain within the Development unless placed or maintained completely within an enclosed garage. The Board, in its complete discretion and upon such basis and terms as it deems prudent, shall have the power to adopt, modify and repeal Rules permitting the temporary use and parking within the Development of vehicles otherwise prohibited by the provisions of this subsection.

(ii) Commercial Vehicles. No truck, van or commercial vehicle shall be permitted within the Development except for such limited times as are necessary for deliveries, the performance of maintenance, repair and replacement of Improvements within the Development and other similar situations, and then subject to any Rules adopted by the Board which may include, without limitation, a limit on the time of day or days of the week when such vehicles may be present within the Development. The term "truck, van or commercial vehicles" shall not include sedans or standard size pickup trucks and vans which are used for both business and personal uses, provided that any signs or markings of a commercial nature on such vehicles shall be reasonable and inoffensive as determined by the Board.

(b) Condition of Vehicles. No unreasonably noisy vehicles and no vehicles (including, without limitation, scooters, motorcycles or other motorized devices) emitting foul smelling or offensive exhaust fumes shall be operated within the Development. No dilapidated, unsightly, inoperable, or abandoned vehicle shall be parked, kept or permitted to remain upon any area within the Development unless completely enclosed within a garage. Each vehicle operated or located within the Development shall maintain, and the Board shall have the authority to require written evidence of, current registration which permits the vehicle to be legally operated on public streets.

(c) No Vehicle Repairs. No vehicle washing, maintenance, or repairs of any kind may be made to vehicles within the Development except such emergency repairs as are necessary to remove the vehicle from the Development.

(d) Common Area Parking of Vehicles. Vehicles may be parked within the Development only as follows:

(i) Permitted Driveway Parking. Due to the configuration of the Common Area driveways, the Residents of Lots 5, 6, 11, 12, 17, 18, 26, 27, 32, 33, 45, 46, 51, 52, 57, 58, 63, 64, 69, 70, 75, 76, 82, 83, 93, and 94, may park a *compact* vehicle immediately in front of the garage door of the Lot's Residence, unless the Board determines the parking of the vehicle impedes the ingress and egress of vehicles to and from an adjacent Lot. For each

Lot, if the Board determines the parking of a vehicle impedes an adjacent Lot's vehicular ingress and egress, the Lot's Owner shall inform potential Lot buyers of the Board's determination. Residents of all other Lots shall park vehicles only within the garage located on such Owner's Lot.

(ii) Prohibited Driveway Parking. Except as permitted pursuant to Subsection 4.11(d)(i), above, no vehicles may be parked within the Common Area driveway courts.

(iii) Roadway Parking. Residents and their guests may park vehicles on the Common Area private roadway and parking spaces, provided such vehicles are not parked for more than 72 hours consecutive hours in one location. The nominal movement of any vehicle for the purposes of preventing the application of this section shall be ineffective.

(e) Guest Parking. For those Lots which are permitted to park a vehicle in front of the Residence's garage pursuant to Section 4.11(d)(i), above, guests of such Lot's Residents may park a compact vehicle in front of the garage of the Residence, provided that such guest shall be permitted to park a vehicle overnight within in front of the Residence no more than six (6) times within any 30 day period

(f) Parking Rules and Enforcement. In order to prevent or eliminate parking problems within the Development, or to further define and enforce the restrictions contained in this section, the Board shall have the authority to adopt further reasonable rules and restrictions regarding vehicles and parking within the Development as the Board may deem prudent and appropriate. The Board shall also have the power to impose sanctions for violations of provisions of the Governing Documents relating to vehicles and parking. Such authority and power shall include, without limitation:

(i) Vehicle Towing. The power and authority to cause the towing, at the vehicle owner's expense, of vehicles which are parked within the Development in violation of any of the provisions of the Governing Documents, provided that towing of vehicles of guests and other non-Residents of the Development shall be subject to the provisions of applicable law. Costs incurred by the Association relating to the towing and/or storage of any vehicle parked in violation of any provision of the Governing Documents shall be assessed as a Reimbursement Assessment against the Lot Owner responsible or whose household members, tenants, Contract Purchasers, or guests are responsible for the presence of such vehicle.

(ii) Fines. The power and authority to fix and impose fines for violations of this section in accordance with California Civil Code Section 1363.

4.12 Garages.

(a) Garage Condition. Each Owner shall keep his or her garage in a sanitary and safe condition.

(b) Closed Doors. Each garage door shall remain closed except during the time required for the entry and exit of vehicles and individuals and when the garage is in active use.

(c) No Conversion. No garage shall be remodeled or used as a workshop, storage space, hobby facility or for any other use or facility which would interfere with the ability of the Owner of

the Lot to accommodate two (2) full-sized passenger vehicles. In no event shall any garage be converted to or used as a living area.

4.13 Compliance with Laws Nothing shall be done or kept anywhere within the Development which violates any local, state or Federal law, ordinance, statute, rule or regulation.

4.14 Animals

(a) Household Pets. No animals, reptiles, rodents, birds, fish, livestock, or poultry shall be raised, bred or kept on any Lot or other portion of the Development except that a reasonable number, as determined by the Board, of domesticated birds, cats, dogs or aquatic animals kept within an aquarium, may be kept, provided that they are not kept, bred, or maintained for any commercial purposes and they are maintained under reasonable control at all times, all in conformance with any City ordinances. Each dog must be restrained on a leash held by a responsible person capable of controlling it whenever it is outside of its owner's Lot.

(b) Owner's Responsibility for Pets. The owner of each pet shall be responsible for immediately removing and disposing of any waste introduced to any portion of the Development by such pet. The Board shall have the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to pets, including without limitation fines for failure to remove and dispose of pet waste as required by this section. Each Owner, Resident, and any person bringing or keeping an animal within the Development shall be absolutely liable to the Association and all other persons for any injury or damage to persons or property caused by the animal brought upon or kept upon the Development by such person or by members of his or her household, tenants, guests, or invitees. Each Owner and Resident shall indemnify the Association and its officers, directors, and agents against any and all claims, damages, losses, demands, liabilities, and expenses, including but not limited to attorneys' fees, arising out of or resulting from the presence or conduct of any animal brought upon or kept within the Development by the Owner or Resident, members of his or her household, guests, tenants, or invitees.

(c) Pet Rules. The Board may adopt and enforce pet Rules in addition to the provisions of this section. Such Rules may include, without limitation, regulations regarding the presence of pets on the Common Area and requirements that pets be registered with the Association. The Association shall have the right to prohibit the keeping of any animal which constitutes, in the sole and exclusive opinion of the Board, a nuisance or danger to any other person.

4.15 Rental of Lots. An Owner shall have the right to rent his or her Lot subject to the provisions of the Governing Documents, including without limitation the following specific requirements:

(a) Notification of the Board. The Owner shall notify the Association of the duration of the lease and shall provide the Association with (i) the names of the tenants, (ii) the names of the members of the tenants' household, (iii) the tenants' telephone numbers, and (iv) such other information as the Board deems appropriate. The Association may, in its discretion, adopt a form for the provision of the information required by this subsection, together with an acknowledgment by the tenants that they have read, understand and agree to abide by the Governing Documents, which form shall be submitted to the Association for each rental of a Lot.

(b) Owner Responsibility. Each Owner renting a Lot shall be strictly responsible and liable to the Association for the actions of such Owner's tenant in or about all Lots and Common Area and for each tenant's compliance with the provisions of all Governing Documents. An Owner

renting a Lot shall provide the tenant with copies of the Governing Documents and all subsequent amendments.

(c) Indemnification of Association. Every Owner of a Lot that is occupied by persons other than the Owner pursuant to a rental agreement or otherwise, agrees to and shall indemnify and defend the Association, its officers, directors, managers, and agents and shall hold them harmless from any cost, loss, claim, or damages of any kind, including but not limited to attorneys' fees arising out of the conduct or presence of the occupants of the Lot upon the Development, including any such arising or alleged to have arisen out of the enforcement or nonenforcement by the Association of the Governing Documents against such occupants. Without limiting the generality of the foregoing, all costs, including attorneys' fees incurred by the Association to enforce the Governing Documents against such occupants, including eviction as provided herein, shall be reimbursed to the Association by the Owner and may be assessed by the Association as a Reimbursement Assessment.

(d) Requirements of Written Rental Agreement. Any rental of any Lot shall be only by written rental agreement which shall expressly provide (i) that it is subject to all of the provisions of the Governing Documents, (ii) that the tenants of such Lot shall comply with all provisions of the Governing Documents, and (iii) that any violation of any provisions of the Governing Documents shall constitute a breach and default of the terms of such rental agreement. The rental agreement shall not attempt to, nor shall any such agreement be effective to, transfer membership in the Association to the lessee.

(e) Requirement of Inclusive Rental Agreement. No Owner may rent or hire any garage, accessory building, or similar improvement to anyone who does not have the right of possession of the entirety of the Residence on the Lot.

4.16 Clotheslines. No exterior clotheslines or other outside clothes drying or airing facility shall be erected or maintained upon any Lot.

4.17 Mailboxes and Exterior Newspaper Tubes. Except for the cluster-style, grouped mailboxes which are the mail receptacles for the Lots, no newspapers tubes or mailboxes shall be erected or maintained within the Development.

4.18 Storage and Placement of Personal Property. Personal property, materials or equipment shall only be stored behind fences and in a manner that is not visible from the Common Area. In addition to the requirement that patio covers, building additions, awnings and similar Improvements must receive prior Architectural Review Committee as provided in Article 8, below, the Architectural Review Committee may adopt Rules regarding the placement of any personal property or Improvement that exceeds the height of any fence.

4.19 Activities Affecting Insurance. Nothing shall be done or kept within the Development which will increase the rate of insurance maintained by the Association without the prior written consent of the Association. No Owner shall permit anything to be done or kept within the Development which would result in cancellation of any insurance policy maintained by the Association or any other Owner.

4.20 Variances. The Board shall be authorized to grant reasonable variances from the provisions of Article 4 of this Declaration upon written application from any Owner provided that the Board determines, in its sole discretion, that the specific application of the restriction to such Owner will (i) cause substantial undue hardship to the Owner, or (ii) fail to further or accomplish the common plan for the Development as contemplated by this Declaration. The Board shall have the power to limit any variance granted in scope or

duration or otherwise impose such specific requirements as the Board may, in its complete discretion, see fit to require. The Board shall follow the following procedures in acting on any request for a variance:

(a) **Initial Board Determination.** The Board, in its sole discretion, shall make an initial determination whether or not the variance on its face meets the requirements set forth in this section. If the Board determines that it does not, the variance request shall be denied and the Board shall so notify the applicant within thirty days of the Board's decision. If the Board determines that the variance does, the procedures set forth in the remainder of this section shall be followed.

(b) **Board Hearing.** The Board shall conduct a hearing on the variance within forty-five days of the receipt of the written request for a variance. Notice shall be given to all Members not less than fifteen days prior to the date of the hearing. Members may submit comments in writing prior to the hearing and/or appear at the hearing. The Board shall establish a reasonable time limit for Member comments during the hearing. No decision regarding the request for variance shall be made until the conclusion of the hearing.

(c) **Board Decision.** After the conclusion of the hearing, the Board shall, in its sole discretion, either grant or deny the request for variance in accordance with the standards set forth in this section. As more fully discussed above, if the Board grants the variance request, the Board may impose such conditions as the Board deems appropriate and shall so notify the applicant within thirty (30) days of the Board's decision.

ARTICLE 5 ALTERATIONS TO LOTS AND RESIDENCES

5.1 **Approval by Architectural Review Committee.** Except for Improvements constructed or installed by Declarant, no building, fence, wall or other structure or Improvement shall be erected, altered or placed on any Lot until building plans, specifications and a plot plan showing the location of structures on the Lots have been submitted to the Architectural Review Committee for review and approval as described in Article 8, below.

5.2 **Solar Heating Systems.** Subject to limitations imposed by California law, the Architectural Review Committee shall be entitled to adopt, as part of the Architectural Guidelines, reasonable regulations regarding the installation of solar heating systems. These rules may include limitations on placement and design of such systems to the extent necessary to avoid an unsightly appearance from neighboring Lots or Common Area.

5.3 **Drainage.** No Owner shall do any work, construct any Improvement, place any landscaping or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Owner's or any adjacent Lots or parcels or Common Area as established in connection with the approval of the final subdivision and parcel maps applicable to the Development, except to the extent such alteration in drainage pattern is approved in writing by the Architectural Review Committee, and all other public authorities having jurisdiction.

5.4 **Exterior Lighting and Fixtures.** All lights installed on the exterior of a Residence or on a Lot shall be adequately and properly shielded from other Residences and the Common Area, such that direct rays from the light source are directed downward and do not cross property lines.

ARTICLE 6

ASSESSMENTS AND LIENS

6.1 Covenant of Owner.

(a) Owner's Assessment Obligation. Each Owner of a Lot within the Development, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association: (i) Regular Assessments, (ii) Special Assessments, (iii) Reimbursement Assessments, and (iv) Enforcement Assessments levied by the Association as hereinafter provided, together with all Additional Charges. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens as hereinafter provided.

(b) Owner's Personal Obligation. Each Assessment levied by the Association under this article, together with all Additional Charges, shall be a separate, distinct, and personal debt and obligation of the Owner against whom it is assessed, and shall bind his or her heirs, devisees, personal representatives, successors, and assigns. Such obligation to pay Assessments and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of Record of any Lot shall, in turn, become liable to pay all such Assessments and Additional Charges assessed during the time he or she is Record Owner of such Lot. After an Owner transfers of Record any Lot he or she owns, he or she shall not be liable for any Assessments levied thereafter with respect to such Lot. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. A Contract Seller of any Lot shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Lot is Recorded.

6.2 Creation of Lien. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land and upon levy shall be secured by a continuing lien upon the property against which such Assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Lot to secure the payment of any such Assessments and Additional Charges as may be levied under this Declaration. The lien provided for herein shall continue to secure all Assessments and Additional Charges levied upon any Lot notwithstanding the transfer of Record title to such Lot, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a Notice of Delinquent Assessment has been Recorded as provided in this Declaration and by law. The priority of all such liens on each Lot shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Lot, any sale of such Lot pursuant to foreclosure of the lien will be made subject to all liens securing the respective monthly Assessments and Additional Charges on such Lot for succeeding months.

6.3 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively for (i) managing and operating the Development, (ii) conducting the business and affairs of the Association, (iii) promoting the recreation, health, safety, welfare, benefit, and interests of the Owners and Residents of the Development, (iv) improving and maintaining the Common Area and, to the extent provided for in the Governing Documents or by law, the Lots situated within the Development, (v) enforcing the Governing Documents, and/or (vi) otherwise benefitting the Owners.

6.4 Authority of the Board. The Board shall have the power and the duty to levy Regular Assessments and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.

6.5 Regular Assessment.

(a) Calculation of Estimated Requirement. Not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of each fiscal year, the Board shall complete and distribute to all Owners an estimate of the net funds required by the Association for such fiscal year (including a reasonable amount allocated to contingencies and to a reserve fund for restoration, repair, and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis) to manage, administer, operate, and maintain the Development; to conduct the affairs of the Association; and to perform all of the Association's duties in accordance with this Declaration.

(b) Allocation of Regular Assessment. Regular Assessments shall be allocated and assessed equally among the Lots within the Development by dividing the amount by the number of Lots, so that each Lot bears an equal share of the Regular Assessment.

(c) Payment of Regular Assessments. Unless the Board shall designate otherwise, Regular Assessments shall be levied on an annual basis and shall be paid in twelve (12) equal monthly installments during the fiscal year, and each installment shall be due and payable on the first day of each month.

(d) Increases in Regular Assessment. Pursuant to California Civil Code Section 1366(b), except as otherwise provided by law, the Board shall not increase the Regular Assessment for any fiscal year above the amount of the Regular Assessment for the preceding fiscal year by more than the maximum amount permitted by law, except upon the affirmative vote or written consent of a majority of Owners voting on any such increase in the Regular Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Owners of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws. Any meeting or election of the Association for purposes of complying with California Civil Code Section 1366 shall be conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3, Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code.

(e) Commencement of Regular Assessment. Regular Assessments shall commence as to each Lot within the Development on the first day of the first month following the month in which the first conveyance occurs for the sale of a Lot to a person other than Declarant. Each Lot within the Development shall thereafter be subject to its share of the then established annual Regular Assessment. The first annual Regular Assessment shall be pro rated, if necessary, according to the number of months remaining in the fiscal year established in the Association's Bylaws.

(f) Partial Assessment Exemption for Vacant Residential Lots. Any Lot within the Development having no structural Improvements for human occupancy shall be exempt from the payment of that portion of any Assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of the Lot's landscaping Improvements which the Association is obligated to maintain pursuant to Section 7.(c), below. The exemption from the payment of Assessments attributed to uncompleted Residences shall be in effect only until the earliest of the following events: a notice of completion of the construction of the Residence has been

recorded; occupation or use of the Residence; or completion of all elements of the Residence which the Association is obligated to maintain.

(g) Partial Assessment Exemption for Uncompleted Common Area. In addition to the foregoing Regular Assessment exemption attributable to uncompleted Residences, all Owners, including Declarant, shall be exempt from the payment of that portion of any Regular Assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of any Common Area Improvement that is not completed at the time Assessments commence. The Assessment exemption provided by this subparagraph shall be in effect only until the earliest of the following events: (i) a notice of completion of the Common Area has been Recorded; or (ii) the Common Area has been placed in use.

6.6 Special Assessments.

(a) Purpose of Special Assessments. If at any time during any fiscal year the Regular Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof or the unexpected repair, replacement, or reconstruction of Improvements located in the Development, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost.

(b) Allocation of Special Assessments. Special Assessments shall be allocated and assessed among the Lots within the Development in the same manner as Regular Assessments.

(c) Approval of Special Assessments. Except in the case of an emergency situation as defined in California Civil Code Section 1366, in any fiscal year the Board may not levy Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the affirmative vote or written consent of a majority of the Members voting on any such Special Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws. Any meeting or election of the Association for purposes of complying with California Civil Code Section 1366 shall be conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3, Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code.

6.7 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner and his or her Lot (i) if a failure by such Owner, or any person or pet for whom the Owner is responsible, to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such Owner or his Lot into compliance, or (ii) in the event that the Association has expended funds performing repairs as authorized by Section 7.4 of this Declaration or for any other reasons specifically authorized by the provisions of this Declaration. A Reimbursement Assessment shall include any costs, including attorneys' fees, incurred by the Association, including costs of collecting from an Owner any amount which the Owner is obligated to pay to the Association. A Reimbursement Assessment shall be due and payable to the Association when levied.

6.8 Enforcement Assessments. The Board may levy an Enforcement Assessment (and any fine imposed by the Board in accordance with the provisions of the Governing Documents shall be deemed to be such an Enforcement Assessment), for violation of any of the provisions of the Governing Documents. Any Enforcement Assessment shall be due and payable to the Association when levied.

6.9 Failure to Fix Assessments The failure or omission by the Board to fix or levy any Regular Assessment provided for by the terms of this Declaration before the expiration of any fiscal year, for that fiscal year or the next fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay Assessments or any installment thereof for that or any subsequent year, but the amount of the Regular Assessment fixed for the preceding fiscal year shall be the amount of the Regular Assessment for the ensuing fiscal year until a new Regular Assessment is levied.

6.10 Offsets All Assessments levied by the Board shall be payable in the full amount specified, including any Additional Charges imposed as provided by the terms of this Declaration, and no offsets against any such amounts shall be permitted for any reason whatsoever, including without limitation a claim that the Association has failed to properly exercise its duties of maintenance or enforcement.

6.11 Delinquent Assessments Any installment or other portion of an Assessment not paid within fifteen (15) days after its due date shall be delinquent and shall be subject to interest and late charges not to exceed the maximum rate permitted by law, as well as all other Additional Charges. The Association may Record a lien against an Owner's Lot for delinquent Assessments and all Additional Charges as provided in the Davis-Stirling Common Interest Development Act, California Civil Code Section 1350 et seq. The Board, on behalf of the Association, may enforce the payment of any delinquent Assessment plus Additional Charges by bringing an action at law against any Owner personally obligated to pay the same, and by foreclosing the lien against the Owner's Lot by judicial or non-judicial foreclosure, except as prohibited by law. Except as prohibited by law, upon any delinquency in payment, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Owner, immediately due and payable, which total sum may then be included in any lien, suit, action, or other procedure initiated to collect such sums, including all Additional Charges. The Board may, at its discretion, commence any lawful procedure for the collection of delinquent Assessments. The remedies provided in this Declaration for collection of delinquent Assessments shall be cumulative and not exclusive.

6.12 Power of Sale.

(a) Authority to Foreclose Lien. The Association may bring legal action against the Owner personally obligated to pay the delinquent Assessments and Additional Charges, foreclose its lien against the Owner's Lot or accept a deed in lieu of foreclosure. Foreclosure by the Association of its lien may be by judicial foreclosure or by non-judicial foreclosure, subject to subsections (b) and (c) of this section. Each Owner does hereby appoint the Association as trustee to enforce and to foreclose any lien which is established pursuant to the terms of this Declaration, by private power of sale, as provided in Division III, Part 4, Title 14, Chapter 2, Article 1, of the California Civil Code, and does further grant to the Board of Directors, on behalf of the Association, the authority and power to sell the Lot of such Owner in the event of any default in payment of any Assessments or Additional Charges levied against such Lot, for lawful money of the United States, to the highest bidder, to satisfy such lien, except as prohibited by law. The Association or any Owner may purchase the Lot at the sale.

(b) Enforcement Assessments. Unless otherwise permitted by law, a lien for an Enforcement Assessment may not be enforced by sale of the Lot under California Civil Code Sections 2924, 2924b and 2924c.

(c) Reimbursement Assessments. Unless otherwise permitted by law, a lien for a Reimbursement Assessment may not be enforced by sale of the Lot under California Civil Code Sections 2924, 2924b and 2924c.

6.13 Certificate of Satisfaction and Release of Lien. Upon payment in full of a delinquent Assessment, including any Additional Charges, or the satisfaction thereof, the Board shall Record, in the same manner as the Notice of Delinquent Assessment, a further certificate stating the satisfaction thereof and the release of the lien.

6.14 Priority. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under this article shall have priority as of the date of Recording of the original Declaration applicable to the Development over all other liens and encumbrances applicable to the Lots; provided, however, that such Assessment lien shall be subordinate to the lien of any First Mortgage Recorded against the Lot; and provided, further, that such subordination shall apply only to the Assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such First Mortgage, or pursuant to a power of sale contained in any such First Mortgage. Such foreclosure sale shall not relieve such property from liability for any Assessments and Additional Charges thereafter becoming due, nor from the lien of any subsequent Assessment.

6.15 Association Funds. All Association accounts shall be maintained in one or more banks or other depositories selected by the Board, which accounts shall be clearly designated as belonging to the Association. The Assessments collected by the Association shall be properly deposited into such accounts. The Assessments collected by the Association shall be used for the purposes set forth in Section 6.3, above.

6.16 Waiver of Exemptions. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this article, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms of this article.

6.17 Property Exempt From Assessments. The following property subject to this Declaration shall be exempt from the Assessments, Additional Charges, and liens created herein:

(a) All property dedicated to and accepted by the County or other local public authority and devoted to public use.

(b) Any Lot which is owned by the Association as a result of the Association having acquired such Lot through foreclosure. Such exemption shall be applicable only during the period in which the Association is Record Owner of such Lot.

ARTICLE 7 MAINTENANCE OF PROPERTY

7.1 Association Responsibilities. The Association shall have the following maintenance responsibilities:

(a) Common Area. The Association shall maintain the Common Area, keeping the same in good condition and repair. The Association shall utilize a seven-day automatic irrigation system for all Common Area landscaping.

(b) Other Association Property. The Association shall maintain, repair and replace all other real and personal property that may be acquired by the Association, keeping such property in good condition and repair.

(c) Front Yard Maintenance of Individual Lots. Declarant is installing an landscape irrigation system on each Lot. The Association shall be solely responsible for all maintenance, repair, upkeep and replacement of the landscaping and irrigation system located within the front yard.

of each Lot. The Association's landscape maintenance pursuant to this section shall include repairing sprinklers and periodically inspect the irrigation system to ensure proper water use and to correct any leaks or excessive watering. In addition, all walkways, concrete hardscape areas, and trash container screening installed by Declarant within the front yard portion individual Lots shall be maintained by the Association.

(d) Storm Drainage Sump. On a semi-annual basis, the Association shall be responsible for removing the oil and silt from any storm drainage sump located within the Development.

(e) Maintenance Manual. The Association shall comply with provisions of any Common Area maintenance manual, if one is provided by Declarant to the Association. The Board may, from time to time, make appropriate revisions to any maintenance manual based on the Board's review thereof, to update such manual to provide for maintenance according to current industry practices so long as such changes do not reduce the useful life or functionality of the items being maintained.

(f) Association Inspections.

(i) Common Area Inspections. The Association shall regularly inspect, maintain and repair the landscaping, irrigation, and drainage systems serving or within and any Common Area Improvements or any Improvements maintained by the Association pursuant to this Section 7.1. The Association shall employ the services of a professional landscape architect, maintenance contractor, reserve analyst, or other such professional person to assist the Association in performing such inspections. The inspector shall provide written reports of their inspections to the Association and, if requested by the Declarant, to the Declarant promptly following completion thereof. If requested by Declarant, Declarant shall be invited to attend any such inspections. The written reports shall identify any items of maintenance or repair which either require current action by the Association or will need further review and analysis. Such written reports shall specifically include a review of all irrigation and drainage systems within the Common Area. The Board shall report the contents of such written reports to Declarant (if not already provided by the inspector directly) if so requested by Declarant and to the Members of the Association at the next meeting of the Members following receipt of such written reports or as soon thereafter as reasonably practicable and shall include such written reports in the minutes of the next regularly scheduled Board of Directors meeting. The Board shall promptly cause all matters identified as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors and shall keep a record of all such matters in the Board's minutes. In the absence of inspection frequency recommendations in any applicable maintenance manuals, the Board shall inspect all Common Area at least once every three years, in conjunction with the inspection required for the reserve study conducted pursuant to the Bylaws.

(ii) Lot Inspections. As part of the inspections described in Section 7.1(I)(i), above, should an Association inspector require the inspection of any Lot, there is hereby created a nonexclusive easement in favor of the Association, and its officers, agents, employees and independent contractors, in accordance with Sections 7.6 and 9.4, below, to conduct such inspections and to provide such maintenance, repair and replacement. Any damage to any structure, landscaping or other improvements caused by the Association, or any of its officers, agents, employees or independent contractors, while performing such maintenance, repair or replacement work shall be repaired by the Association at its sole cost and expense.

(g) Compliance with Warranties. The Association shall have the duty to execute all necessary documents to effectuate any warranties offered by Declarant as to the Common Area. In addition, in the event of a claim asserted under a warranty involving the Common Area, the Association shall comply with any and all requirements set forth in the warranty including but not limited to providing written notice of any claim to the administrator of the warranty and reasonable access to the Common Area for warranty service and shall maintain a copy of all warranties in the records of the Association.

(h) Owner's Responsibility for Consequential Damage. An Owner is responsible for the cost of repair of those portions of the Owner's Lot and Residence, including fixtures and personal property, which are required to be maintained by the Owner, even if the cause of the damage originates from a source maintained by the Association, unless the cause is the gross negligence of the Association or its agents. As an example, water damage to a Residence that is caused by an Association maintained irrigation system is the responsibility of the Owner even though the repair of the irrigation system is the responsibility of the Association.

7.2 Owners' Responsibilities. Each Owner shall be solely and exclusively responsible for the maintenance, repair and replacement of his or her Lot and all Improvements thereon, and shall keep the same in good and attractive condition and repair. Each Owner's obligations shall include, without limitation, the following:

(a) Residence and Other Improvements. Each Owner shall maintain, in good and attractive condition and repair, the Residence and other buildings and Improvements located on his or her Lot. The garage door for the garage of the Residence shall be maintained in good condition, appearance and repair.

(b) Backyard/Courtyard Landscaping. Each Owner shall maintain the backyard/courtyard landscaping on his or her Lot in a neat and attractive condition. Each Owner shall utilize a seven-day automatic irrigation system for the landscaping on his or her Lot. Each Owner shall complete the installation of backyard/courtyard landscaping on his or her Lot within one hundred eighty(180) days of occupancy of the Lot's Residence. Prior to commencing installation of backyard/courtyard landscaping, each Owner shall comply with the drainage restrictions described in Section 5.3, above, and shall obtain Architectural Review Committee approval of the proposed landscaping.

(c) Fences. Except for front yard trash container screening fences which shall be maintained by the Association, each Owner shall maintain, repair and replace the fences and walls located on his or her Lot, keeping the same in good and attractive condition and repair. Subject to the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions, the cost of reasonable repair and maintenance of fences abutting two Lots or a Lot and Common Area shall be shared equally by the owners of the property abutting each side of the fence.

(d) Utility Connections. Utility lines and connections, including without limitation, water, sewer, electrical, cable television, telephone and gas lines, which are located on, under, or over any Lot and which provide service to the Residence or other Improvements located upon such Lot, shall be maintained, repaired and replaced by the Owner of such Lot or by the utility company providing such service.

(e) Maintenance Manual Obligation. By accepting a deed to a Lot, each Owner acknowledges and agrees that, in addition to the obligations set forth in this Declaration, each Owner is required to comply with all of the maintenance obligations and schedules set forth in any homeowners maintenance manuals issued by Declarant or a Merchant Builder, and each Owner is further obligated to provide a copy of such homeowners maintenance manuals to any successor Lot purchaser or Owner.

(f) Mold. In order to reduce the presence of molds, fungi, spores, pollens, other botanical substances, or other allergens (collectively, "mold") within the Development, each Owner implement an mold inspection and prevention program which shall include the following steps:

(i) Inspect the Owner's Residence not less frequently than quarterly to check for water leaks, moisture collection, or other breaches of the watertight integrity of the Residence and for the presence of mold;

(ii) If any water leaks, moisture collection, or mold is detected, immediately take appropriate corrective action to repair and remove the mold;

(iii) Maintain proper ventilation and humidity levels (particularly in bathrooms and kitchens) within the Residence to reduce the risk of mold;

(iv) Periodically inspect the water fixtures and refrigerator condensation pans for the presence of mold;

(v) Replace HVAC filters semiannually or as recommended by the manufacturer;

(vi) Periodically inspect the irrigation system to ensure proper water use and to correct any leaks, misdirected, or excessive watering;

(vii) Periodically inspect the ground surface around the foundations of the Residence to ensure that no water is pooling near the foundations; maintain rain gutters and roof drainage systems in a clean and proper operating condition at all times; and

(viii) Take such other prudent steps as may be appropriate to prevent mold and eliminate any existing mold in the Development.

7.3 Compliance With Architectural Provisions. An Owner's right and responsibility for maintaining, repairing or replacing any portions of his or her Lot, including landscaping, shall be subject to any applicable provisions of the Governing Documents relating to landscaping and architectural control, including Article 8.

7.4 Owner Failure to Maintain. The Board shall have the absolute discretion to determine whether any maintenance, repair, or replacement which is the responsibility of an Owner is necessary to preserve the appearance and value of the property comprising the Development, or any portion thereof, and may notify an Owner of the work the Board deems necessary. Subject to the authority of the Board to authorize immediate emergency repairs as specified in Section 7.7, in the event an Owner fails to perform such work within thirty days after notification by the Board to the Owner, the Board may, after written notice to the Owner and the right of a hearing before the Board, cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment.

7.5 Owner Liability. In the event the need for any maintenance, repair, or replacement by the Association is caused by the willful or negligent act or omission of an Owner, members of any Owner's household, or an Owner's tenants, Contract Purchaser, guests, invitees, or household pets, the cost of such maintenance, repair, or replacement, including the cost of materials, labor, supplies, and services shall be charged to, and paid by, such Owner in the form of a Reimbursement Assessment.

7.6 Authority for Entry of Lot. The Association or its agents may enter any Lot, whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any maintenance, repair, construction, or replacement for which the Association is responsible or which it is authorized to perform, including without limitation the authorization provided in Sections 7.5 and 9.4. Although under no obligation to do so, the Board, in its complete and sole discretion, may enter or may authorize the Association's agents to enter any Lot to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Lot, any other Lot or the Common Area. The cost of performing any such emergency repairs shall be charged to the Owner as a Reimbursement Assessment. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations.

7.7 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.

7.8 Association Liability. The Association shall not be responsible or liable for any maintenance, repair, or replacement of a Lot or any Improvement thereon, except to the extent that the need for such maintenance, repair, or replacement results from the negligence or fault of the Association, its employees, contractors, or agents.

7.9 Board Discretion. Except as provided in Section 7.1(f), above, the Board shall have the discretion to determine the manner, method, extent and timing of the performance of any and all maintenance, repair and replacement obligations imposed upon the Association by this article.

ARTICLE 8 ARCHITECTURAL CONTROL

8.1 Submission of Plans and Specifications. Except for Improvements made or constructed by or on behalf of the Declarant, no Improvements including without limitation landscaping, Residences, buildings, fences, walls, obstructions, balconies, screens, patio covers, awnings, or other structures of any kind, shall be commenced, located, erected, painted, or maintained within the Development, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, color, height, size, materials, and location of the same shall have been submitted to and approved in writing by the Architectural Review Committee as to (i) quality of workmanship and design, (ii) harmony of external design in relation the nature and character of the Development and the Improvements thereon, and (iii) location in relation to surrounding structures, topography, finished grade elevation. Notwithstanding this section, and provided that the existing color and finish were approved by the Architectural Review Committee in the first instance, an Owner may repaint and refinish the exterior of the Improvements on his or her Lot in an identical color and finish without the approval of the Architectural Review Committee.

8.2 Establishment of Architectural Review Committee.

(a) Composition of the Committee, Generally. The Architectural Review Committee shall consist of three (3) members. The composition of the Architectural Review Committee will evolve during the development of the Development, as follows:

(i) Initial Declarant Appointment. Declarant may appoint all of the members of the Architectural Review Committee and all replacements until the first anniversary of the issuance of the first California Department of Real Estate final public report for the Development.

(ii) Initial Board Appointment. Beginning with the first anniversary of the issuance of the first California Department of Real Estate final public report for the Development, Declarant may appoint a majority of the members of the Architectural Review Committee. The remaining member of the Architectural Review Committee shall be appointed by members of the Association Board other than Declarant or Declarant's representative.

(iii) Full Board Appointment. At the earlier to occur of: (A) the conveyance by Declarant of ninety percent (90%) of the Lots within the Development; or (B) the fifth (5th) anniversary date of the original issuance of the California Department of Real Estate final public report for the Development, the Architectural Review Committee shall become a committee of the Association and all members of the Committee shall be appointed by the Board of Directors.

(b) Board as Committee. If at any time there shall not be a duly-constituted Architectural Review Committee, the Board shall exercise the functions of the Architectural Review Committee in accordance with the terms of this article.

8.3 Duties. It shall be the duty of the Architectural Review Committee to consider and act upon proposals or plans submitted to it, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration. All decisions regarding proposed Improvements shall be made in good faith and shall not be unreasonable, arbitrary, or capricious.

8.4 Meetings. The Architectural Review Committee shall meet as necessary to properly perform its duties hereunder. Every act done or decision made by a majority of the members of the Architectural Review Committee shall be the act or decision of the Architectural Review Committee. The Architectural Review Committee shall keep and maintain a record of all actions taken by it at such meetings or otherwise. The Architectural Review Committee and its members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any Architectural Review Committee function.

8.5 Architectural Rules. The Architectural Review Committee may, from time to time, and subject to the Board's approval, adopt, amend, and repeal rules and regulations to be known as Architectural Rules. The Architectural Rules shall interpret and implement the provisions of this article by setting forth the standards and procedures for Architectural Review Committee review and guidelines for architectural design, placement of Residences and other structures, color schemes, exterior finishes and materials, and similar features which are recommended for use in the Development; provided, however, that the Architectural Rules shall not be in derogation of the minimum standards required by this Declaration. The Architectural Rules may also impose limits on the days and hours of construction and impose any other restrictions and regulations which the Board deems appropriate to limit the impact of construction activities on the Residents.

8.6 Application. Any Owner proposing to perform any work of any kind whatever, which requires prior approval pursuant to this article, shall apply for approval by notifying the Association, in writing, of the nature of the proposed work and furnishing such information and documentation as the Architectural Review Committee or Board may require, including without limitation samples of proposed

paints in such sizes and formats as the Committee or the Board may deem appropriate. In accordance with Section 10.5(c), and in addition to any other remedies the Association may have, the Board may impose a fine against any Owner who fails to submit an application, and obtain the required approval thereof, prior to proceeding with any Improvement for which approval is required pursuant to this article. Except as provided in the last sentence of Section 8.1, any Owner who paints his or her Residence or any other Improvement without first submitting an application and obtaining the approval required by this article may be required, in the Board's discretion, to repaint the Residence or Improvement.

8.7 Fees The Architectural Review Committee may charge a reasonable fee or fees for its review of architectural or landscaping applications, drawings, plans, and specifications which may include the cost of retaining outside consultants including but not limited to architects, engineers, soils experts, or contractors. In addition to review fees, the Architectural Review Committee may require an Owner to post a deposit for major or even minor Improvements when submitting plans to the Committee to ensure compliance with the Architectural Rules and this Declaration. The Committee shall establish a schedule or formula for determining a different amount of the deposit, and may require a separate deposit for proposed landscaping improvements. Owners acknowledge that all or a portion of any deposit may be forfeited to the Architectural Review Committee if the Owner fails to properly and timely complete works of Improvement in accordance with approved plans and specifications or if an Owner or an Owner's agents cause damage to the Common Area. Prior to any deposit forfeiture, the Architectural Review Committee shall provide the Owner with notice and an opportunity to be heard, in accordance with California Civil Code Section 1363(h).

8.8 Grant of Approval. The Architectural Review Committee shall grant the requested approval only if:

- (a) The Owner has complied with the provisions of Section 8.1 and Section 8.2 above;
- (b) The Architectural Review Committee finds that the plans and specifications conform to both (i) this Declaration, and (ii) the Architectural Rules in effect at the time such plans were submitted to the Committee, unless a variance is granted from such Architectural Rules pursuant to Section 8.18; and
- (c) The Architectural Review Committee determines that the proposed Improvements would be consistent with the standards of the Development and the purposes of this Declaration as to quality of workmanship, design and materials, as to harmony of exterior design with the existing structures, and as to location with respect to topography and finished grade elevations.

8.9 Form of Approval. All approvals and denials of requests for approval shall be in writing and no verbal approval of a request for approval is permitted by any member of the Architectural Review Committee or the Association. The Architectural Review Committee may approve a request for approval subject to the Owner's consent to any modifications made by the Architectural Review Committee. If the Owner does not consent to the modifications, the request for approval shall be deemed denied in its entirety.

8.10 Appeal of Denial to Board of Directors. In accordance with California Civil Code Section 1378(a)(5), unless the Architectural Review Committee is comprised of the members of the Board of Directors, who make their decision at a Board meeting, if an Owner's Improvement application is disapproved by the Architectural Review Committee, the applicant shall be entitled to request reconsideration by the Association's Board of Directors. The Board shall consider the reconsideration request at a meeting held in accordance with California Civil Code Section 1363.05.

8.11 Time for Architectural Review Committee Action. Any request for approval which has not been acted upon by the Architectural Review Committee within forty-five days from the date of receipt

thereof by the Architectural Review Committee shall be deemed approved. The Owner requesting approval shall have the burden of establishing the date of receipt of the request for approval by the Architectural Review Committee by evidence in the form of either a copy of such request for approval date-stamped by the Association or by a return receipt provided by the U. S. Postal service acknowledging that such request for approval was delivered to the Association

8.12 Commencement. Upon receipt of approval pursuant to this article, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all installation, construction, reconstruction, refinishing, alterations, and excavations pursuant to such approval, commencement to occur, in all cases, within ninety days from the effective date of such approval or upon such later date as the Board may in its discretion designate. If the Owner shall fail to comply with this paragraph, any approval previously given shall be deemed revoked unless the Board, upon written request of the Owner made prior to the expiration of the time for commencement, extends the time for such commencement. No such extension shall be granted except upon a finding by the Board that there has been no change in the circumstances upon which the original approval was granted.

8.13 Completion. The Owner shall, in any event, complete the installation, construction, reconstruction, refinishing, or alteration of any Improvement, within one year after commencing construction thereof (or in the case of projects under construction when this Declaration is Recorded, within one year after the date of Recordation), except and for as long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his agents. If an Owner fails to comply with this section, the Board shall proceed as though the failure to complete the Improvements was a non-compliance with approved plans.

8.14 Inspection. Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any installation, construction, reconstruction, alteration, or refinishing of the exterior of any Improvements, or upon the completion of any other work for which approved plans are required under this article, the Owner shall give written notice thereof to the Architectural Review Committee.

(b) Within sixty days after the receipt of such written notice, the Architectural Review Committee, or its duly authorized representative, may inspect such Improvement to determine whether it was installed, constructed, reconstructed, altered, or refinished to substantial compliance with the approved plans. If the Architectural Review Committee finds that such installation, construction, reconstruction, alteration, or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty day period, specifying particulars of non-compliance and shall require the Owner to remedy such non-compliance.

(c) If the Owner shall have failed to remedy such non-compliance upon the expiration of thirty days from the date of such notification, the Architectural Review Committee shall notify the Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-compliance. The hearing date shall be not more than thirty nor less than fifteen days after notice of the non-compliance is given to the Board by the Architectural Review Committee. Notice of the hearing date shall be given at least ten days in advance thereof by the Board to the Owner, to the Architectural Review Committee and, in the discretion of the Board, to any other interested party.

(d) At the hearing the Owner, the Architectural Review Committee and, in the Board's discretion, any other interested person, may present information relevant to the question of the alleged non-compliance. After considering all such information, the Board shall determine whether there is a non-compliance, and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than forty-five days from the date of the Board's ruling. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying improvement or remedy the non-compliance and all expenses incurred in connection therewith shall be assessed against the Owner as a Reimbursement Assessment.

(e) If, for any reason, the Architectural Review Committee fails to notify the Owner of any non-compliance within sixty days after receipt of a notice of completion from the Owner, the improvement shall be deemed to be in accordance with the approved plans. The Owner shall have the burden of establishing the date of receipt of the notice of completion by the Architectural Review Committee by evidence in the form of either a copy of such notice date-stamped by the Association's office or by a return receipt provided by the U. S. Postal service acknowledging that such notice was delivered to the Association.

8.15 Non-Waiver. The approval by the Architectural Review Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Review Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

8.16 Estoppel Certificate. Within thirty days after written demand is delivered to the Association by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board shall Record an estoppel certificate, if permitted by the County, certifying (with respect to any Lot of such Owner) that as of the date thereof, either: (i) all Improvements made and other work completed by such Owner comply with this Declaration, or (ii) such Improvements or work do not so comply, in which event the certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such non-compliance. Any purchaser from the Owner, or from anyone deriving any interest in a Lot through him, shall be entitled to rely on such certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and all Owners and such persons deriving any interest through them.

8.17 Liability. Neither Declarant, Association, Board, the Architectural Review Committee nor any member or representative thereof shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of: (i) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (iii) the development of any portion of the Development; or (iv) the execution and filing of an estoppel certificate pursuant to Section 8.16, whether or not the facts therein are correct; provided, however, that the Architectural Review Committee, the Board or any member or representative thereof has acted in good faith on the basis of such information as may be possessed by it or him. Without in any way limiting the generality of the foregoing, the Architectural Review Committee, the Board or any member or representative thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Review Committee. Every Owner, by acquiring title to a Lot or portion thereof agrees not to bring any action or suit against Declarant, Association, Board, the Architectural Review Committee, or their members or representatives seeking to recover any such damages.

8.18 Variances.

(a) Reasonable Variances. The Architectural Review Committee, in its sole discretion, shall be entitled to allow reasonable variances in any procedures specified in this article and those minimum construction standards in Article 5 in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships.

(b) Criteria for Variances. The Architectural Review Committee must make a good faith written determination that the variance is consistent with one or more of the following criteria: (i) the requested 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) that the variance relates to a requirement land use restriction or minimum construction standard otherwise applicable hereunder that is unnecessary or burdensome under the circumstances; or (iii) that the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance with respect, to any other Lot or Common Area within the Development. At the request of the Architectural Review Committee the Association Board is authorized and empowered to execute and Record a notice of any variance granted pursuant to this section in a form acceptable to the County Recorder's Office.

8.19 Compliance With Governmental Requirements. The application to the Architectural Review Committee, and the review and approval of any proposals, plans, or other submittals, shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements, the responsibility for which lies solely with the respective Owner, nor shall it constitute the assumption of any responsibility by or impose any liability on Declarant, Association, Board, the Architectural Review Committee, or their members as to the accuracy, efficacy, or sufficiency of such proposals, plans or other submittals.

ARTICLE 9 EASEMENTS

9.1 Easements in General. In addition to all easements reserved and granted on the Subdivision Map and the easements specified in Article 3, there are hereby specifically acknowledged, reserved and granted for the benefit of the Lots and the Owners in common and for each Lot and Owner severally, and for the Association, as their respective interests shall exist, the easements and rights of way as particularly identified in this article.

9.2 Utility Easements. Easements over and under the Development or any portion thereof for the installation, repair, maintenance, and replacement of (i) electric, telephone, water, gas, and sanitary sewer lines, meters, and facilities, (ii) cable lines and facilities, (iii) drainage facilities, (iv) walkways, and (v) landscaping, as shown on the Subdivision Map, and as may be hereafter required or convenient to service the Development, are reserved by and shall exist in favor of the Association, together with the right to grant and transfer the same. The Association shall maintain all utility installations located in the Common Area except for those installations maintained by utility companies, public, private, or municipal.

9.3 Easements Granted by Board. The Board shall have the power to grant and convey to any person or entity easements and rights of way, in, on, over, or under the Common Area for the purpose of (i) constructing, erecting, operating, or maintaining thereon, therein, or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone, public sewers, storm drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and (ii) for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association. Each purchaser, in accepting a deed to a Lot, expressly consents to such easements and rights of way. No such

easements may be granted if they would unreasonably interfere with the use, occupancy, or enjoyment by an Owner or Resident of his or her Lot without the consent of the affected Owner of the Lot.

9.4 General Association Easements for Maintenance, Repair and Replacement. The Association shall have an easement in, on, over or under every Lot as reasonably necessary to (i) maintain and repair the Common Area, (ii) perform maintenance upon a Lot which is not performed by its Owner as provided by Section 7.4 and Section 7.6, and (iii) otherwise perform its obligations under this Declaration.

9.5 Utility Maintenance and Repair Easements.

(a) Owners' Utility Easements. Wherever sanitary sewer connections or water connections or electricity, gas or telephone, television lines or drainage facilities are installed within the Development, which connections, lines or facilities, or any portion thereof, lie in or upon Lots owned by other than the Owner of the Lot served by said connections, the Owners of any Lots served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter such Lots or to have utility companies enter therein, or any portion thereof, to repair, replace and generally maintain said connections as and when the same may be necessary. Wherever sanitary sewer house connections and/or water Residence connections or electricity, gas or telephone lines or drainage facilities are installed within the Development, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Lot.

(b) Utility Company Easements. All utility companies having easements on the property covered by this Declaration shall have easements for cleaning, repairing, replacing, and otherwise maintaining or causing to be maintained service in all underground utility lines, including, when reasonably necessary, the entry into an improvement constructed upon a Lot for uncovering any such lines. Any Owner or utility company exercising the rights granted in this section shall be obligated to restore the Lot and the Residence entered to substantially its former condition.

9.6 Encroachment Easements. The Common Area and each Lot within the Development is hereby declared to have an easement over all adjoining Lots and the Common Area for the purpose of accommodating any minor encroachment due to engineering errors, errors in original construction, settlement or shifting of structures, or any other similar cause. There shall be valid easements for the maintenance of such encroachments as long as they shall exist. Notwithstanding the preceding, in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if such encroachment occurred due to the wilful misconduct of such Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots or Common Area shall be permitted and that there shall be valid easements for the maintenance of such encroachments so long as they shall exist.

ARTICLE 10 ENFORCEMENT

10.1 Violations as Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance. In addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association, its officers, the Board or by any Owner. The Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and its Members as a whole.

10.2 Violation of Law. Any violation of a state, municipal or local law, ordinance or regulation pertaining to the ownership, occupancy, or use of any property within the Development is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.

10.3 Owners' Responsibility for Conduct and Damages. Each Owner shall be fully responsible for informing members of his or her household and his or her tenants, Contract Purchasers, contractors and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, any Governing Document violation of any of them, and for any damage to the Development or the Association resulting from the negligent or intentional conduct of any of them or any household pets. If a Lot is owned jointly by two or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several.

10.4 No Avoidance. No Owner may avoid the burdens or obligations imposed by the Governing Documents through non-use of any Common Area facilities or by abandonment of his or her Lot.

10.5 Rights and Remedies of the Association.

(a) Rights Cumulative. The Association, its Directors, Officers, or agents, and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or through the use of such other remedies as are available and deemed appropriate by the Board. Each remedy provided is cumulative and not exclusive.

(b) Member Not In Good Standing. Upon a determination by the Board of Directors, after prior notice to the affected Member and an opportunity for a hearing, that such Member has violated any provision of the Governing Documents including a failure to pay any Assessment when due, the Board shall give notice in writing to such Member that he or she is deemed not to be a Member in Good Standing. Such Member shall be deemed to remain in that status until such time as the Board shall determine in writing that the violation which resulted in the Board's determination has been cured or remedied or, on some other basis as in the judgment of the Board is just and proper, that such Member shall again be deemed to be a Member in Good Standing of the Association. Such Member shall be so notified in writing with a copy given to the Secretary.

(c) Imposition of Sanctions. In the event of a breach or infraction of any provision of the Governing Documents by an Owner, members of an Owner's household, or his or her tenants, Contract Purchasers, contractors, guests, pets or invitees, the Board shall have the power to impose sanctions against the Owner. Such sanctions may include, without limitation, the imposition of fines and/or the suspension of an Owner's rights as a Member, including an Owner's voting rights or an Owner's right to use the recreational or community facilities on the Common Area, except for ingress and egress to the Owner's Lot. Except as provided in Section 10.7 below, imposition of sanctions shall be effective only after the Board has held a hearing as provided in Section 8.1.4 of the Bylaws. The payment of any such fine may be enforced as an Enforcement Assessment as provided in Section 6.8 of this Declaration as well as in any manner permitted by law. Further, each Owner shall be obligated to pay Reimbursement Assessments levied by the Board for reimbursement of any costs incurred by the Association relating to violation of any provisions of the Governing Documents by such Owner, members of such Owner's household, or his or her tenants, Contract Purchasers, contractors, guests, pets or invitees.

(d) Inadequacy of Legal Remedy. Except for the non-payment of any Assessment levied pursuant to the provisions of Article 6 of this Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of any of the terms and provisions of any of the Governing Documents or for the breach or violation of any such provisions is inadequate and that

the failure of any Owner or a member of the household of any Owner or an Owner's tenants, guests, or household pets or any other occupant or user of any of the property within the Development to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association, its Officers or Board of Directors, or by any Owner or by their respective successors in interest

(e) Limitation on Disciplinary Rights. The Association shall not have the power and authority to cause a forfeiture or abridgment of a Member's right to the full use and occupancy of his or her Lot as the result of the failure by such Owner, members of such Owner's household, or his or her tenants, guests, invitees or household pets to comply with any provision of the Governing Documents, except where such forfeiture or abridgment is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay Assessments levied by the Association pursuant to Article 6 of this Declaration. The provisions of this subsection shall not affect the Association's right to impose fines or monetary penalties or to suspend an Owner's membership rights, as provided in the Governing Documents.

(f) Common Area Claims. With respect to any decisions by the Association to initiate, defend, settle or intervene in mediation, arbitration, judicial or administrative proceedings in matters pertaining to damage to the Common Area and any warranty claims that may arise with respect to the Common Area, no representative of Declarant on the Board shall vote on the initiation of any claim under California Civil Code Section 895 et seq., such that from and after the first annual meeting of the Association, Declarant shall have no control over the Association's ability to decide whether to initiate a claim under such statutory provisions and in the event of such a vote, the affirmative vote of the two non-Declarant representatives on the Board shall be binding so long as a quorum of the Board is present at any meeting where such vote is taken. The Association and not the individual Members shall have the power to pursue warranty claims or any claims or other actions using the non-adversarial proceedings for construction defects in Common Area pursuant to Civil Code Section 895 et seq., and any successor statutes or laws. Any recovery by the Association with respect to any damage to or defect in the Common Area shall be utilized solely for the purpose of paying for the costs of obtaining the recovery and for correcting such damage or defect.

(g) Membership Consent for Certain Action. In the event that any claim or other actions brought by the Association under California Civil Code Section 895 et seq., and any successor statutes or laws or any other applicable laws, involving allegations of construction defects relating to the Common Area is not resolved pursuant to the non-adversarial procedures set forth in California Civil Code Sections 910 through 938 and any successor statutes or laws, the Association shall not initiate a further action or procedure against Declarant without first obtaining the consent of the Owners other than Declarant, constituting a quorum of more than fifty percent (50%) of the Owners of the Association casting a majority of the votes at a meeting or election of the Association conducted in accordance with the provisions of California Corporations Code Sections 7510 et seq. and 7613 and any successor statutes or laws

10.6 Disciplinary Rules. The Board or a committee appointed by the Board for that purpose may adopt rules and regulations that further elaborate upon and refine procedures for conducting disciplinary proceedings and otherwise imposing sanctions upon Members of the Association for violation of provisions of the Governing Documents. Such rules, when approved and adopted by the Board, shall be deemed to be a part of the Association Rules provided for in, and constituting a part of, the Governing Documents.

10.7 Emergency Situations. The following shall constitute emergency situations: (i) an immediate and unreasonable infringement of or threat to the safety or peaceful enjoyment of Residents of the Development, (ii) a traffic or fire hazard, or (iii) a threat of material damage to or destruction of the Development or any portion thereof. Notwithstanding any other provisions of the Governing Documents, under circumstances involving conduct that constitutes an emergency situation, the Association may undertake immediate corrective action. Hearings with respect to such corrective action shall be held following the corrective action in accordance with California Civil Code Section 1363, and no disciplinary action may be taken without compliance with California Civil Code Section 1363(h).

10.8 Alternative Dispute Resolution. California Civil Code Section 1369.520 shall be complied with respect to any dispute subject to such section.

10.9 Non-Waiver. Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.

10.10 Notices. Any notices required or given under this article shall, at a minimum, set forth the date, time, and location of any hearing, a brief description of the act or omission constituting the alleged violation of the Governing Documents, a reference to the specific Governing Document provision or provisions alleged to have been violated, and the sanction, disciplinary action, or other enforcement action being contemplated by the Board, if any. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice to the affected Member; provided, however, that if notice is given by mail, it shall be sent by first-class mail, postage prepaid, sent to the most recent address for the affected Member as shown on the records of the Association.

10.11 Costs and Attorneys' Fees. In the event the Association shall take any action to enforce any of the provisions of the Governing Documents or shall determine that any Member or members of his or her household or his or her tenants, Contract Purchasers, guests, invitees or household pets have violated any provision of the Governing Documents, and whether or not legal or judicial proceedings are initiated, the prevailing party shall be entitled to recover the full amount of all costs incurred, including attorneys' fees, in responding to such a violation and/or in enforcing any Governing Document provision. The remedies of the Association to recover the amount of such costs and attorneys' fees shall include, without limitation, the imposition of a Reimbursement Assessment as provided in Section 6.7 of this Declaration.

10.12 Owner Indemnification. Each Owner, by acceptance of his or her deed, agrees for himself or herself and for the members of his or her household, his or her Contract Purchasers, tenants, guests or invitees, to (i) indemnify each and every other Owner for, (ii) to hold each and every other Owner harmless from, and (iii) to defend each and every other Owner against, any claim of any person for personal injury or property damage occurring within the Lot of such Owner, except that such Owner's liability may be diminished to the extent that the injury or damage occurred by reason of the negligence of any other Owner or person temporarily visiting in such Lot or is fully covered by insurance.

ARTICLE 11 INSURANCE

11.1 Types of Insurance Coverage. The Association shall, at the discretion of the Board of Directors, purchase, obtain and maintain the following types of insurance, if and to the extent they are available at a reasonable premium cost:

(a) Property Insurance. The Association shall obtain and maintain a master or blanket policy of property insurance, written on all risk, replacement cost basis, on all Common Area, and all Improvements within the Development for which the Association has an obligation to maintain or insure. The insurance

shall be kept in full force and effect at all times and the full replacement value of the insured property shall be redetermined on an annual basis. Depending on the nature of the insured property and the requirements, if any, imposed by institutional Mortgagees having an interest in such property, the policies maintained by the Association pursuant to this section shall contain an agreed amount endorsement or a contingent liability from operation of building laws endorsement or the equivalent, an extended coverage endorsement, vandalism, malicious mischief coverage, a special form endorsement and a clause to permit cash settlements for full insurable value in case of partial destruction. The policies required hereunder shall name as insured the Association and all Mortgagees as their respective interests may appear. The policies may contain a loss payable endorsement in favor of the trustee described in Section 11.5 below.

(b) General Liability Insurance. To the extent such insurance is reasonably obtainable, a policy of comprehensive general liability insurance naming as parties insured the Association, each member of the Association Board of Directors, any manager, the Owners and occupants of Lots, and such other persons as the Board 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 Two Million Dollars (\$2,000,000.00) covering all claims for death, personal injury and property damage 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 common interest development projects similar in construction, location, facilities, and use.

(c) Director's and Officer's Liability Insurance. To the extent such insurance is reasonably obtainable 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).

(d) Additional Insurance and Bonds. To the extent such insurance is reasonably obtainable, the Association may also purchase 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, demolition, flood, earthquake, and workers' compensation insurance. The Board shall also purchase and maintain fidelity bonds or insurance in an amount not less than three months operating revenues and one hundred percent (100%) the Association's reserve funds and shall contain an endorsement of any person who may serve without compensation.

11.2 Coverage Not Available. In the event any insurance policy, or any endorsement thereof, required by Section 11.1 is for any reason unavailable, then 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 shall notify the Owners of any material adverse changes in the Association's insurance coverage.

11.3 Copies of Policies. Copies of all insurance policies (or certificates thereof showing the premiums thereon have been paid) shall be retained by the Association and shall be available for inspection by Owners at any reasonable time.

11.4 Individual Owner's Property Insurance. Each Owner shall purchase and at all times maintain a policy of personal liability and property insurance insuring the Owner's Lot, Residence, any Improvements to the Owner's Lot, and personal property.

11.5 Trustee. All insurance proceeds payable under Section 11.1, above, and subject to the rights of Mortgagees under Article 13, below, may, in the discretion of the Board of Directors, be paid to a trustee

to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank or financial institution in the County that agrees in writing to accept such trust.

11.6 Adjustment of Losses. Board 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 11.1, above. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

ARTICLE 12 DAMAGE OR DESTRUCTION; CONDEMNATION

12.1 Damage to or Destruction of Improvements on Association Property. In the event of damage to or destruction of any Improvement to the Common Area or to any other real property owned by the Association, the Board of Directors shall, in its discretion and based upon considerations such as the existence of insurance proceeds from insurance coverage for such damage or destruction and the frequency of use of the Improvement, determine whether to repair or replace the damaged or destroyed Improvement. If any such damage or destruction was insured against and the insurance proceeds are insufficient to cover the costs of repair or replacement of the damaged or destroyed Improvement, and if the Board elects to repair or replace the Improvement, the Association may levy a Special Assessment against the Members as provided in this Declaration to cover the additional cost of the repair or replacement not covered by the insurance proceeds. If the Board elects not to repair or replace the Improvement, the applicable insurance proceeds shall be used in the manner consistent with the purposes of the Association and as determined by the Board.

12.2 Damage to or Destruction of Improvements on Lots. In the event of damage to or destruction of the Improvements on any Lot, the Owner of such Lot shall (i) completely repair or rebuild the Improvements to the same state as they existed prior to such damage or destruction or in any other manner approved by the Architectural Review Committee in accordance with Article 8 of this Declaration, or (ii) completely remove all remaining portions of such damaged or destroyed Improvements. Such repair, rebuilding, or removal shall be commenced within a reasonable time, which shall in no event exceed one year after the occurrence of the damage or destruction and shall be completed within one year after the date of commencement unless a longer period is agreed to in writing by the Board.

12.3 Condemnation of Common Area. If at any time all or any portion of any Common Area, or any interest therein, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the entire compensation or award in condemnation, to the extent such award is not apportioned among the Owners by court judgment or by agreement among the condemning authority, the Association and each of the affected Owners, shall be paid to the Association and shall be used in the manner determined by the Board, provided that such use shall not be inconsistent with the purposes of the Association. The Association shall represent the interests of all Owners in any proceedings relating to such condemnation to the extent such Owners have any interest in the Common Area.

12.4 Condemnation of Lots. If an entire Residence or Lot, or so much thereof as to render the remainder unfit for use as a residence, is condemned or taken for a public or quasi-public use, pursuant to any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the Owner's membership in the Association shall terminate as of the last day of the month in which the condemner obtains the right to possession, or upon Owner's vacating the premises, whichever occurs last. If only a portion of such Residence or Lot is taken and the remainder is fit for use as a Residence, the Owner shall continue to be a Member of the Association. In any condemnation action involving an Owner's Residence or Lot, the Association shall have the right to seek compensation for any damages incurred by the Association.

ARTICLE 13 PROTECTION OF MORTGAGEES

13.1 Assessment Lien Subordinated No amendment of this Declaration shall affect any of the rights of the holder of any Mortgage which is made in good faith and for value, if such Mortgage is Recorded and notice of the delivery and Recording thereof is given to the Association prior to the Recording of such amendment.

13.2 Default by Owner; Mortgagee's Right to Vote In the event of a default by any Owner under a Mortgage encumbering such Owner's Lot, the Mortgagee under such Mortgage shall, upon: (a) giving written notice to the defaulting Owner; (b) Recording a Notice of Default in accordance with California Civil Code Section 2924; and (c) delivering a copy of such Recorded Notice of Default to the Association, have the right to exercise the vote of the Owner at any regular or special meeting of the Association held only during such period as such default continues.

13.3 Breach; Obligation After Foreclosure No breach of any provision of this Declaration by Declarant, the Association or any Owner shall impair or invalidate the lien of any recorded Mortgage made in good faith and for value and encumbering any Lot. Declarant, Owners, and the Association and their successors and assigns, shall be obligated to abide by all of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes provided for in this Declaration with respect to any person who acquires title to or any beneficial interest in any Lot through foreclosure, trustee's sale or otherwise.

13.4 Right to Examine Books and Records of the Association All Mortgagees, insurers and guarantors of any Mortgages on any Lot shall have the right, upon written request to the Association, to:

- (a) Examine current copies of the Governing Documents and the Association's books, records and financial statements, during normal business hours;
- (b) Require the Association to provide an audited statement for the preceding fiscal year at no expense to the requesting entity; and
- (c) Receive a written notice of all meetings of the Association and designate a representative to attend all such meetings.

13.5 Declaration to Conform With Mortgage Requirements It is the intent of this article that the Governing Documents and the development in general, shall now and in the future meet all requirements of any institutional Mortgagee intending to secure its Mortgage by a Lot or necessary to purchase, guarantee, insure or subsidize any Mortgage of a Lot by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Veterans' Administration. The provisions of this article may be amended solely by the vote of the Board of Directors in order to conform to any requirements of the secondary lender market.

ARTICLE 14 ANNEXATIONS AND SUPPLEMENTAL DECLARATIONS

14.1 Annexation of Other Property Real property which is not subject to this Declaration may annex to and become subject to this Declaration with the approval by vote or written consent of (1) the property owner, (2) Members entitled to exercise not less than two-thirds of the Voting Power of each class of membership of the Association, and (3) the Board of Directors. After the Class B membership has ceased, the approval of the Members required by this section shall require the affirmative vote of at least two-thirds of the voting power of Members other than Declarant. Upon obtaining the requisite approval of the Members pursuant to this section, the owner of the annexing property shall Record a Declaration of

Annexation and, if appropriate, a Supplemental Declaration, as more particularly described in Section 14.3, below.

14.2 Declarations of Annexation. To effectuate an annexation, a Declaration of Annexation shall be Recorded covering the applicable portion of the annexing real property. The Declaration of Annexation shall identify the Lots and Common Area, if any, within the annexing property, and shall be signed by the owner of the annexing property and shall include a certificate, signed by the President and Secretary of the Association attesting to the fact that the required Member and Board approval has been obtained. A Declaration of Annexation may include a Supplemental Declaration which adds or modifies restrictions and rights with respect to the annexing property.

14.3 Supplemental Declarations. A Supplemental Declaration may be Recorded against all or any portion of the annexing property, subject to the same approval requirements for a Declaration of Annexation pursuant to Section 14.2, above. The Supplemental Declaration may include restrictions which are different from the restrictions contained in this Declaration. A Supplemental Declaration may not alter the general common plan or scheme created by this Declaration, revise any restriction imposed by a governmental entity as a condition of Subdivision Map approval (without the consent of that entity) or revoke the covenants, conditions and restrictions imposed by this Declaration with respect to portions of the Development already subject to this Declaration.

ARTICLE 15 DECLARANT'S DEVELOPMENT RIGHT

15.1 Declarant's Right to Develop the Development. The Association and Owners shall not do anything to interfere with the right of Declarant to subdivide, sell, or rent any portion of the Development, or the right of Declarant to complete excavation, grading, construction of Improvements or other development activities to and on any portion of Development or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements as Declarant deems advisable in the course of development of the Development so long as any Lot or any portion of the Development is owned by Declarant. Such right shall include, but shall not be limited to, all grading work as may be approved by the County or other agency having jurisdiction, and erecting, constructing and maintaining on or within the Development such structures, signs and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise. Each Owner, by accepting a deed to a Lot, hereby acknowledges that any construction or installation by Declarant may impair the view of such Owner, and hereby consents to such impairment.

15.2 Use of Common Area by Declarant. Declarant may enter upon the Common Area to complete the development, improvement and sale of Lots and the construction of any landscaping or other Improvement to be installed on the Common Area. Declarant shall also have the right of nonexclusive use of the Common Area without charge, for sales, display, access, ingress, egress, exhibition and occasional special events for promotional purposes, which right Declarant hereby reserves; provided, however, that such use rights shall terminate on the date on which Declarant no longer owns any Lots within the Development. Such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein and all direct costs and expenses associated with Declarant's sales and promotional activities (including, without limitation, any costs or expenses required to clean or repair any portion of the Common Area that are damaged or cluttered in connection with such activities) shall be borne solely by Declarant and any other sponsor of the activity or event. The rights reserved to Declarant by this section shall extend to any employee, sales agents, prospective purchasers, customers and/or representatives of Declarant.

15.3 Amendment of Development Plans. Declarant may amend its plans for the Development and apply for changes in zoning, use and use permits, for any property within the Development.

15.4 Independent Design Review. For so long as Declarant has the right to appoint any members of the Architectural Review Committee, Declarant shall have the right to initiate action to correct or prevent any activity, condition or Improvement that is not in substantial compliance with approved plans and specifications to the same extent as the Association, after having a reasonable opportunity to do so, does not initiate enforcement action.

15.5 Termination of Declarant's Rights If Declarant conveys all of its rights, title and interest in the Development to any person or entity and the acquiring person or entity is designated as a successor Declarant as to all the property conveyed, then Declarant shall be relieved of the performance of any further duty or obligation hereunder, and successor Declarant shall be obligated to perform all such duties and obligations of Declarant. This section shall not terminate any responsibility of Declarant for acts or omissions occurring prior to the conveyance to such person or entity. However, Declarant may enter into a contract or agreement dealing with such acts or omissions.

15.6 Disclaimer of Declarant's Representations. Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth in a recorded instrument with the County Recorder, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the Development may or will be carried out, or that any land now controlled or owned or hereafter controlled or acquired by Declarant is or will be subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect.

15.7 Disputes with Declarant. Declarant has separately Recorded a Notice of Election Under Right to Repair (California Civil Code Section 914(a)). Any disputes between the Association or any Owners, and the Declarant, any director, officer, partner, employee, contractor, subcontractor, design professional or agent of the Declarant based upon alleged defects in the design or construction of any Lot, Residence, Common Area or Improvements thereon shall be subject to the provisions of the Recorded Notice of Election. In addition, to the extent applicable, Association shall comply with the requirements of Civil Code Section 1375 et seq.

15.8 No Amendment or Repeal. So long as Declarant owns any Lot within the Development, the provisions of this article may not be amended or repealed without the consent of Declarant.

ARTICLE 16 AMENDMENT

16.1 Amendment Before First Conveyance Before the conveyance of the first Lot within the Development to a purchaser other than Declarant, this Declaration and any amendments to it may be amended in any respect or revoked by the execution by Declarant and any Mortgagee of record by an instrument amending or revoking the Declaration. The amending or revoking instrument shall make appropriate reference to this Declaration and its amendments and shall be Recorded.

16.2 Amendment After First Conveyance. After the conveyance of the first Lot within the Development to a purchaser other than Declarant, this Declaration may be amended or revoked in any respect upon compliance with the following provisions:

(a) Member Approval Requirements. Except as provided in this paragraph, any amendment to this Declaration shall be approved by the vote or assent by written ballot of an Absolute Majority, including the holders of not less than a majority of the Total Voting Power of each class of Members. If a two-class voting structure is no longer in effect in the Association because of the conversion of Class B membership to Class A membership, as provided in the Association's Bylaws, any amendment thereof will require the

vote or assent by written ballot of both: (i) an Absolute Majority of the Association; and (ii) the vote of a majority of the Total Voting Power held by Members other than Declarant. Any amendments to this Declaration made solely to comply with a change in applicable federal, state or local legislation, or to correct a typographical error, may be made upon majority vote of the Board of Directors only. Notwithstanding the foregoing, the percentage of the voting power 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.

(b) Additional Approvals of Declarant for Amendments to Particular Provisions. For so long as Declarant owns a Lot within the Development, the provisions of Articles 15, and 16 may not be amended without the prior written consent of Declarant.

(c) Right of Amendment of Requested by Governmental Mortgage Agency or Federally Chartered Lending Institutions. Anything in this article to the contrary notwithstanding, Declarant and the Association reserve the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by Governmental Mortgage Agencies which require such an amendment as a condition precedent to such agency's approval of this Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot. Any such amendment shall be effectuated by the Recordation, by Declarant or the Association, of a Certificate of Amendment duly signed by or on behalf of the authorized agents, or authorized officers of Declarant or the Board, as applicable, with their signatures acknowledged, specifying the Governmental Mortgage Agency, or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when recorded, shall be binding upon all of Lots and Common Area comprising the Development and all persons having any interest therein.

(d) Right of Amendment if Requested by City. Anything in this article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by the City to reflect a modification of the development permits which requires a conforming amendment to this Declaration. Any such amendment shall be effectuated by the Recordation, by Declarant, of a Certificate of Amendment duly signed by or on behalf of the authorized agents, or authorized officers of Declarant, or the Association as applicable, with their signatures acknowledged, specifying the City requested the amendment and setting forth the amendatory language requested by the City. Recordation of such a Certificate shall be deemed conclusive proof of the City's request for such an amendment, and such Certificate, when Recorded, shall be binding upon all of the real property comprising the Development and all persons having an interest therein.

(e) Right of Amendment by Board. The Board of Directors may, without the approval of the Members, amend any part of this Declaration to the limited extent necessary to comply with a change in applicable federal, state or local legislation.

16.3 Restatements. This section describes the methods for restating the Declaration after an amendment.

(a) General. The Board has the right, by resolution without the necessity of consent by the Members, to restate this Declaration when it has been properly amended pursuant to its requirements for amendment. Such restatement shall be effective upon execution of the restatement by any two (2) officers of the Association and its Recordation. Upon Recordation of the restatement, the restatement shall supersede the prior declaration and its amendments in their entirety, without, however, affecting the priority of the

Declaration in the chain of title to all real property subject to the Declaration as established by the Declaration's initial date of Recordation

(b) Form of Restatement. The restatement shall restate the entire text of the original document, with these exceptions: (i) changes incorporating all amendments approved the Owners; (ii) changes made to rearrange or delete the text for consistency with the approved amendments; (iii) changes made to delete material no longer legally effective or legally required, such as the provisions described in Article 15 once Declarant no longer owns any portion of the Development; (iv) the addition of a statement that the Board has authorized the restatement pursuant to this section; (v) changes made to delete any provision declared illegal by constitutional or statutory enactment, by regulation, or by controlling judicial opinion; and (vi) changes needed to distinguish the restatement from the original document, such as title, section, or subsection numbering changes.

16.4 Department of Real Estate. An amendment to this Declaration, Bylaws, or other governing instruments of the Association shall require immediate notification of the California Department of Real Estate in accordance with section 2800 of the Commissioner's Regulations so long as the Development, or any portion thereof, is subject to an outstanding Final Subdivision Public Report.

16.5 Effective Date of Amendment. The amendment will be effective upon the Recording of a Certificate of Amendment, duly executed and certified by the president and secretary of the Association setting forth in full the amendment so approved and that the approval requirements of subsection (a) or (b) above have been duly met. If the consent or approval of any governmental authority, Mortgagee, or other entity is required under this Declaration to amend or revoke any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained.

16.6 Reliance on Amendment. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith

ARTICLE 17 GENERAL PROVISIONS

17.1 Term. This Declaration continues in full force and effect unless an amendment terminating this Declaration is approved and Recorded in accordance with Article 16, above.

17.2 Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.

17.3 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.

17.4 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Development for the benefit of the community

17.5 Number; Gender; Shall/May. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires. The use of the term "may" in this Declaration indicates discretion or choice, and the use of the term "shall" in this Declaration means imperative, mandatory or imposing an absolute duty

17.6 Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a deed to any Lot.

17.7 Airport Influence Area. Pursuant to California Civil Code Section 1353, the following notice identifies the Development as an "airport influence area" For purposes of this section, an "airport influence area," also known as an "airport referral area," is the area in which current or future airport-related noise, overflight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses as determined by an airport land use commission. Pursuant to California Civil Code Section 1353(a)(3), property located within in an airport influence area does not constitute a title defect, lien, or encumbrance. The required notice is as follows:

NOTICE OF AIRPORT IN VICINITY

This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

17.8 Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, an irrevocable power of attorney coupled with an interest is granted to the Association by the Owners and each of them.

DATED: June 14, 2005

DECLARANT

BEAZER HOMES HOLDINGS CORP.,
a Delaware corporation

By

Linda Schwartz
(type or print name)

By

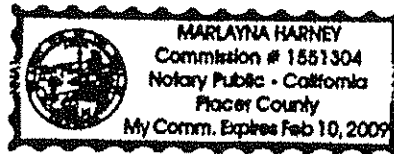
/
(type or print name)

STATE OF CALIFORNIA)
) ss.
COUNTY OF PLACER)

On June 14, 2005, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Linda Schwartz and _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(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 within instrument.

WITNESS my hand and official seal.

Marlayna Harney
Notary Public



Printed name: Marlayna Harney

My principal place of business is Placer County, State of California.

My commission No. is 1551304 and expires 2-10-09.

