

# MEMBERSHIP AND VOTING RIGHTS

3.01 Membership. Every Owner of a Lot shall automatically be and must remain a Member of the Association in good standing. The Board of Directors may declare that an Owner is not a Member in good standing because of past unpaid dues, fines, late charges, interest, legal fees, and/or any other assessments of any nature. The Board of Directors may temporarily suspend the voting rights of any Member who is not in good standing until the date when such past unpaid amounts are paid in full.

3.02 Voting Rights. The Association shall have three classes of voting membership:

**CLASS A:** Class A Members shall be all Members other than Class B and Class C Members. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

**CLASS B:** Class B Members shall be any bona fide Owner who is engaged in the process of constructing a residential dwelling on any Lot for sale to consumers. Class B Members shall be non-voting members of the Association. The class membership shall cease, and each Class B Member shall become a Class A Member:

(i) when the total number of votes outstanding in the Class A membership equals the total number of votes outstanding in the Class C membership; or

(ii) on the tenth (10th) anniversary of the date hereof, whichever occurs first in time.

**CLASS C:** The Class C Member shall be Declarant. The Class C Member shall be entitled to six (6) votes for each Lot which it owns and for each Lot owned by all Class B Members.

Notwithstanding the aforementioned voting rights within the Association and

consistent with the provisions of Section 12.02 hereinafter, until:

(a) Declarant no longer owns:

(i) record title to any Lot; and

(ii) a lien interest in any Lot; and

(iii) title to any adjoining acreage intended to be developed as an additional section or phase of Rancho Serena; or

(b) January 1, 2020

whichever occurs first in time, neither the Association nor the Members shall take any action or inaction with respect to any matter whatsoever without the consent and approval of the Declarant, which shall not be unreasonably withheld or delayed.

3.03 Quorum, Notice and Voting Requirements. The quorum, notice and voting requirements of and pertaining to the Association are set forth within the Articles of Incorporation and Bylaws of the Association, as same may be amended from time to time. Subject to the provisions of Section 3.02 above, any action by or on behalf of the Association may be taken with the assent given in writing and signed by Members who collectively hold or control more than sixty percent (60%) of the outstanding votes of the Association.