

BELL CANYON ASSOCIATION
_____, 2019

SECRET BALLOT

AMENDING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

California law requires that a vote to amend the Association’s governing documents be made by secret ballot. Please return your ballot according to the enclosed instructions. Please ensure that your name and the address of your home in the Association are on the upper left-hand corner of the return envelope, but not on this form, and that you sign your name where indicated on the envelope (or if not indicated, below your name). In order to be counted, this secret ballot must be received by the inspectors of election before the official counting process begins at the Special Meeting.

The vote below for Ballot Items 1 through 21 to approve various amendments to the Association’s Covenants, Conditions and Restrictions (“CC&Rs”) will be conducted on an item-by-item basis with only those items receiving an “APPROVE” vote from at least two-thirds (2/3) of the Owners to be deemed approved.

In addition, if any Ballot Item 1 through 21 is so approved, then Ballot Item 22.A-22.N shall also be deemed approved.

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1. CC&Rs BALLOT ITEM 1 RE CLAUSE II-DEFINITIONS:

Purpose: The name of the Association appearing in the CC&Rs does not reflect the change of name from Woodland Hills Country Estates Association to Bell Canyon Association as appearing in the Certificate of Amendment of Articles of Incorporation filed in the office of the Secretary of State on February 14, 1972. Also, the existing definitions do not reflect terms appearing in the proposed Ballot Items below. These comments are addressed by making the following changes and addition appearing below

Proposal:

The definitions of “Declarant” and “Family” are hereby deleted in their entirety from Clause II of the Declaration.

The definition of “Association” in Clause II of the Declaration is hereby deleted in its entirety and replaced with the following language:

“Association: Association shall mean a nonprofit mutual benefit corporation consisting of all Owners of Lots in the Property, and known as Bell Canyon Association. Each Owner shall be and become a Member upon becoming and contemporaneous with being an Owner of a Lot.”

The following definitions are hereby added to Clause II of the Declaration:

“Act: Act shall mean the Davis-Stirling Common Interest Development Act (Civil Code Section 4000 et seq.), as the same may be amended from time to time.

Board: Board of Directors or Board shall mean the governing body of the Association.

Bylaws: Bylaws shall mean the duly adopted bylaws of the Association as the same may be amended from time to time.

Declaration, CC&Rs or Covenants, Conditions and Restrictions: Declaration, CC&Rs or Covenants, Conditions and Restrictions shall mean the duly adopted and recorded covenants, conditions and restrictions of the Association as the same may be amended from time to time.

Property: Property is the improved and unimproved property, including Lots and Common Areas, which together comprise Bell Canyon as legally described below: Lots 1 to 716 inclusive of Tract No. 2008-1, 2008-2, 2008-3, 2008-4 and 2008-5, as per maps recorded in Book 51, pages 25 to 75, inclusive, of Maps, in the Office of the Ventura County Recorder, State of California.

ADD ADDITIONAL LEGAL DESCRIPTION

[TEXT OF PROPOSED AMENDMENT CONTINUED ON NEXT PAGE]

Rules and Regulations: Rules and Regulations shall mean the rules and regulations adopted by the Board, by a majority vote thereof, in accordance with the Act, pertaining to the Property.

APPROVE: _____ **DISAPPROVE:** _____

**2. CC&Rs BALLOT ITEM 2 RE CLAUSE III-GENERAL RESTRICTIONS;
SECTION 1. LAND USE AND BUILDING TYPE:**

Purpose: The current language restricts the use of detached buildings as a subsidiary residence, such as a “mother-in-law” suite by prohibiting the inclusion of a kitchen and kitchen facilities. To allow broader residential, non-commercial use of guest homes, the language below, if adopted, would strike from Clause III, Section 1 of the Declaration the language which states “(without kitchen or kitchen facilities other than a small kitchenette to be used only for preparing breakfasts and light lunches).” Additionally, Clause III, Section 1 of the CC&Rs also currently contains language clearly intended to benefit the developer in developing the overall tract. Since that initial development has been completed, this provision has become irrelevant and has no continuing legitimate purpose. Therefore, this Ballot Item 2, if approved, would also strike the language of Clause III, Section 1 of the CC&Rs which states “However, nothing in this section shall be construed to prevent the erection, placement or maintenance by Declarant or its successors or assigns or (of) signs, trailers, offices or buildings, in connections with the conduct of tract business and/or development and sale of any part of the subject Property.”

Proposal: Clause III, Section 1 of the Declaration is hereby deleted in its entirety and replaced with the following language:

“All Lots (except as provided in Clause III, Section 26) shall be used for private single family residence purposes only. On each Lot not more than one detached single family dwelling, one detached dwelling for employees and/or guests which shall never be rented or used otherwise than for the housing of employees and/or guests, one private garage designed for use by not less than three (3) automobiles, one barn or stable for the housing of any authorized animals or fowl, a corral, a swimming pool, patios, walkways, fences and such other structures as may be appurtenant thereto, shall be erected, constructed or maintained.

No building, any part of which is for dwelling purposes, shall in any manner be occupied or lived in while in the course of original construction or until made to comply with all requirements as to area and with all other conditions set forth or referred to herein, or in any further restrictions established and applicable to subject property. No building, structure, or vehicle, anywhere on subject property, other than a completed dwelling, shall ever be lived in or used for dwelling purposes, including tents, shacks, trailers, campers, mobile homes, boats, outbuildings, garages, barns, stables, or other structures, nor shall any sign or billboard be erected, placed or maintained on any Lot except as permitted in Section 19 of Clause III.”

APPROVE: _____ **DISAPPROVE:** _____

**3. CC&Rs BALLOT ITEM 3 RE CLAUSE III-GENERAL RESTRICTIONS;
SECTION 6. PROTECTION OF VIEW:**

Purpose: Generally speaking, unless included in CC&Rs, protection of view is not protected under California law. The existing CC&Rs vest the Architectural Committee with authority over this subject. Upon its finding that a “view is substantially obstructed” and appropriate notice given, an Owner at his or her expense is required to “remove, cut down or cut back or alter any such obstruction” and failing to do so, the Association is empowered to do so. It has been commented that perhaps some general criteria should be inserted to assist in the analysis of what constitutes “substantially obstructed” and upon the application of such criteria, it should also be determined how to allocate any costs. The language below is similar to some language in an ordinance governing views in the City of Malibu.

Proposal: Clause III, Section 6 of the Declaration is hereby deleted in its entirety and replaced with the following language:

“6. PROTECTION OF VIEW.

No fences, walls, trees, foliage or other obstruction shall be placed, permitted or maintained on any Lot which substantially obstructs or diminishes the view from any other Lot. In deciding whether a view is substantially obstructed or diminished, the Board shall conduct a hearing upon thirty (30) days advance written notice to the parties involved in the dispute. At the hearing, the Board shall include as part of its decision-making process consideration of the following criteria, among others: (a) The extent the foliage obstructs a pre-existing view and/or primary view, both currently and at foliage maturity; (b) The location of the obstruction within a view frame located within the center of a primary view as opposed to an obstruction located on the outer edge of a primary view; (c) The quality of the primary view being obstructed, including obstruction of landmarks, vistas or other unique features; (d) The extent to which the primary view has been diminished over time by factors other than tree or foliage growth, such as new additions or residences; (e) The extent to which the primary view contributes to the economic value and/or enjoyment of the Lots involved; and, (f) where the complainant’s objection is based upon development on its property that post-dates the existence of the obstruction objected to, then the length of time which the tree or foliage has existed at the time that the previously undeveloped Lot complains of a view obstruction. Upon the finding made by the Board that a view is substantially obstructed or diminished by fences, walls, trees, foliage or the like on any portion of land in subject property and should be removed or mitigated, the Owner thereof, upon written notice sent by the Board shall within thirty (30) days remove, cut down, cut back or alter any such obstruction to the extent specified by the Board with expenses of such action to be borne by or allocated between the objecting party and/or the Owner of the Lot as the Board shall upon its consideration of all of the circumstances deem to be reasonable and equitable; however, if such action is to be undertaken with respect to a pre-existing condition such as that described in criteria (f), then all costs of such removal, alteration or mitigation shall be borne by the complainant. If said notice is not complied with, then the Board may cause the removal, cutting down or cutting back or alteration of any such obstruction and the costs thereof to be assessed in the manner which had been set forth in the decision of the Board. Neither the Association, the Board, any committee of the Board nor any member thereof shall be liable for any damages, injuries, costs or expenses which are the result of the Board’s exercise of its discretion under this Paragraph. Notwithstanding anything to the contrary, a Building and/or Accessory Building, and any fences or walls constructed in accordance with all requisite approvals of the

Board/Architectural Committee and, if applicable, a County building permit with approved final inspection and/or certificate of occupancy (as the case may be) issued by the Ventura County Department of Building & Safety shall be deemed not to obstruct or diminish any view pursuant to this Section. Any complaint regarding the obstruction of a view must be asserted within a reasonable time period”

APPROVE: _____ **DISAPPROVE:** _____

4. CC&Rs BALLOT ITEM 5 RE CLAUSE III-SECTION 11-NUISANCES:

Purpose: The existing CC&Rs do not address drones. The below language would regulate the use of personal drones in, about and above the Property.

Proposal: The following language is hereby added to Clause III of the Declaration as a new Section 11A:

“11A. Drones. No personal drones shall be launched from or flown over another Owner’s Lot without the express permission of that Owner. No personal drones shall be launched from or flown over the Common Area except, to the extent, if at all, allowed by the Rules and Regulations adopted by the Board. Such Rules and Regulations may provide for the control and keeping of personal drones in, upon and around the Property to ensure that the same do not interfere with the quiet and peaceful enjoyment of the Property by, nor invade the privacy of, the other Owners and residents.”

APPROVE: _____ **DISAPPROVE:** _____

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5. CC&Rs BALLOT ITEM 5 RE CLAUSE III-SUBSECTION 12A:

Purpose: The existing CC&Rs at Clause III-Sections 12A through 12J Keeping of Animals have quite specific language identifying the type and number of allowable animals and disallowed animals but could benefit from greater specificity as set forth in proposed Ballot Items 5, 6, 7, 8 and 9. The existing CC&Rs lack specific language regarding the keeping and control of allowed animals, such as: the Owner’s responsibility for conduct and clean-up of such animals, removal of animals that become dangerous animals, and Rules and Regulations concerning them which are now included in proposed new paragraphs 12K and 12L under Ballot Items 5, 6, 7, 8 and 9.

Ballot Item 5 would add “goats, alpacas, donkeys and pot-bellied pigs” to the list of regulated animals and, going forward, would prohibit cows (existing cows would be grandfathered in, but could not be replaced).

Proposal: Subsection A of Section 12 of Clause III of the Declaration is hereby deleted in its entirety and replaced with the following language:

“A. Not more than a total of three (3) horses, sheep, goats, donkeys, alpacas and pot-bellied pigs per one-half (1/2) acre at any one time, allotted in any way the Lot Owner desires (e.g., one horse, one sheep, one donkey), except that any foals, calves, or lambs born of these animals may be kept in addition to these numbers for a period not to exceed one (1) year following the birth thereof; however, any cows that were on a Lot and identified to the Board prior to the date of the recordation of this Amendment (“Pre-existing Non-Conforming Cows”) may remain on that Lot so long as that presence is continuous and uninterrupted and does not create a nuisance. When any Pre-existing Non-Conforming Cow dies or is permanently removed from the Owner’s Lot, the right of such Owner to keep such Pre-existing Non-Conforming Cow shall cease, and such Cow shall not be returned to the Lot or replaced by its Owner.”

APPROVE: _____ **DISAPPROVE:** _____

6. CC&Rs BALLOT ITEM 6 RE CLAUSE III-SUBSECTION 12B:

Purpose: This Ballot Item 6 would permit hens (as opposed to the existing reference to chickens) and would add a total limit of 12 hens per Lot regardless of the size of the Lot.

Proposal: Subsection B of Section 12 of Clause III of the Declaration is hereby deleted in its entirety and replaced with the following language:

“B. Not more than six (6) hens per one-half (1/2) acre but not to exceed twelve (12) per Lot at any one time;”

APPROVE: _____ **DISAPPROVE:** _____

7. CC&Rs BALLOT ITEM 7 RE CLAUSE III-SUBSECTION 12I:

Purpose: This Ballot Item 7 would prohibit roosters going forward (existing roosters would be grandfathered in, but could not be replaced). Additionally, the proposed language prohibits bees, dangerous or poisonous reptiles or other dangerous or wild animals that post a danger to people.

Proposal Subsection I of Section 12 of Clause III of the Declaration is hereby deleted in its entirety and replaced with the following language:

“I. No other animals, livestock, roosters, poultry or bees, dangerous or poisonous reptiles, or dangerous or wild animals that would pose a danger to people shall be kept or raised. Roosters that were on a Lot and identified to the Board prior to the date of the recordation of this Amendment (“Pre-existing Non-Conforming Roosters”) may remain on that Lot so long as that presence is continuous and uninterrupted and does not create a nuisance. When any Pre-existing Non-Conforming Rooster dies or is permanently removed from the Owner’s Lot, the right to keep such Pre-existing Non-Conforming Rooster shall cease, and such Rooster shall not be returned to the Lot or replaced by its Owner.”

APPROVE: _____ **DISAPPROVE:** _____

8. CC&Rs BALLOT ITEM 8 RE CLAUSE III-SUBSECTION 12K:

Purpose: See discussion preceding Ballot Item 5.

Proposal: The following language is hereby added to Section 12 of Clause III of the Declaration as a new Subsection K:

“K. Responsibility for Conduct of Animals/Pets. Each person bringing or keeping an animal or pet on the Property shall be solely responsible for the conduct of that person's animals/pets. Each Owner shall be liable to each and all remaining Owners, their families, employees, guests, tenants and invitees for any damage to person or property caused by any animals or pets brought up or kept upon or in the Property by an Owner or by members of such Owner’s family, guests, tenants or invitees. After a hearing upon thirty (30) days advance written notice, the Board may impose a reasonable Special Assessment against an Owner to recover the costs incurred by the Association to repair any damage caused by a pet living on or visiting an Owner and/or the Owner’s Lot. The Association, its Board, officers, employees and agents shall have no liability solely by virtue of such status (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, or tenants for any damage or injury to persons or property caused by any animal or pet.”

APPROVE: _____ **DISAPPROVE:** _____

9. CC&Rs BALLOT ITEM 9 RE CLAUSE III-SUBSECTION 12L:

Purpose: See discussion preceding Ballot Item 5.

Proposal: The following language is hereby added to Section 12 of Clause III of the Declaration as a new Subsection L:

“L. Clean-Up. Owners must immediately remove all excrement left by their pet on the Common Area or on the Lot of another Owner. Each Owner shall also regularly remove any excrement left by their animal or pet on such Owner’s Lot so as to avoid any offensive odors and/or unsanitary conditions. The foregoing shall not apply to the excrement of horses on Common Areas adjacent to roads and on trails.”

APPROVE: _____ **DISAPPROVE:** _____

10. CC&Rs BALLOT ITEM 10 RE CLAUSE III SECTION 21 (ARCHITECTURAL – CONTROLS :

Purpose: The architectural provisions in the existing CC&Rs are located in Clause III, Section 21 and Clause IV. The language below, if approved, would consolidate the architectural provisions into one location at Clause IV.

Proposal: Clause III, Section 21 (Architectural Controls) of the Declaration is hereby deleted in its entirety, provided that the proposed amendments to Ballot Item 14.B below are approved. If the proposed amendments to Ballot Item 14.B are not approved, Clause III, Section 21 of the Declaration shall not be deleted.

APPROVE: _____ **DISAPPROVE:** _____

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11. CC&Rs BALLOT ITEM 11 RE CLAUSE III-SECTION 23-EASEMENTS:

Purpose: As currently written the front easement of a Lot extends beyond the unpaved roadway by an additional fifteen (15) feet into a Lot. The language below, if approved, would amend Section 23 to restrict the future rights of the Association to utilize land belonging to an Owner to the front five (5) feet of the Lot. Also, the slope easements originally granted to the original developer of the Property would be changed to be in favor of the Association. Furthermore, any existing Association trail areas adjacent to any streets which are currently improved and used shall not be diminished despite the reduction in the front of Lot easement areas.

Proposal: Clause III, Section 23 of the Declaration is hereby deleted in its entirety and replaced with the following language:

“23. EASEMENTS. There is hereby reserved to the Association, and the Association shall have easements over, under and through the front five feet (5’) of, the side ten feet (10’) of, and the rear ten feet (10’) of each Lot for recreational trails, and for the installation, construction, reconstruction, relocation, removal, maintenance, repair, operation and inspection of subsurface sewer, water, drainage, electric, gas, telephone, tree planting and cable television facilities for the benefit of adjoining land Owners and/or the Association, or any authority, commission, corporation, municipality or other agencies supplying such facilities. Further, there is hereby reserved to the Association and the Association shall have slope easements on all Lots as required for the construction, reconstruction, maintenance and repair of private and public roads and streets within the tract; provided, however, nothing contained herein shall abrogate or otherwise diminish any existing underground easement rights granted in or pursuant to any CC&R prior to the date of the recordation hereof which are currently in use or any Association trail areas currently improved and used adjacent to any streets or roads within the Property.”

APPROVE: _____ **DISAPPROVE:** _____

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**12. CC&Rs BALLOT ITEM 12 RE (NEW) CLAUSE III-SECTION 27—
RESIDENTIAL USE, NO HEALTHCARE FACILITIES AND NO DAY CARE CENTER:**

Purpose: The existing CC&Rs require that Lots be used for residential purposes. The language below, if approved, would add language to the CC&Rs which clarifies what is a nonresidential use of property and to limit Lots from being used as healthcare facilities and daycares except as required to be allowed by law.

Proposal: The following language is hereby added to Clause III of the Declaration as a new Section 27:

“27. RESIDENTIAL USE; BUSINESS USAGE PROHIBITED.

A. Generally. No Lot shall be occupied and used except for residential purposes. No part of any Lot shall ever be used or caused to be used, or allowed or authorized in any way, directly or indirectly, to be used for any business, commercial, manufacturing, mercantile, vending, transient hotel or other such nonresidential purposes; provided, that the foregoing restrictions shall not apply to the activities or signs of the Association in the discharge of its responsibilities under this Declaration. "Hotel or other such nonresidential purposes," as used in the immediately preceding sentence shall mean: (i) rental for any period less than ninety (90) days; (ii) any rental if the occupants of the Lot are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service; (iii) any rental of rooms to multiple persons where such persons do not form a single household; and (iv) any "time share" arrangement. Home vacation exchanges shall be permitted subject to such Rules and Regulations as may be established by the Board from time to time.

Notwithstanding anything set forth above in the provisions of this subsection (A), no restrictions shall be construed in such a manner so as to prohibit any Owner from: (i) keeping such Owner's personal business records or accounts therein; (ii) handling such Owner's personal or professional telephone calls or correspondence therefrom; (iii) having a "home office" or "home business," provided that such "home office" or "home business" is incidental to the principal residential use of the Lot, complies with the Rules and Regulations established by the Board from time to time and applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific government authorization, does not interfere with the quiet enjoyment of the other Owners, and does not produce or generate any external evidence thereof from outside the Lot; or (iv) leasing back his or her home for a period of less than ninety (90) days following the sale of the Owner's Lot to a third party.

B. No Healthcare Facilities. No health care facilities operating as a business or charity shall be permitted in the Property, unless permitted by a law or ordinance that preempts this restriction.

[TEXT OF PROPOSED AMENDMENT CONTINUED ON NEXT PAGE]

C. No Day Care Center. No day care center shall be permitted within the Property unless permitted by law or ordinance that preempts this restriction. The owner/operator of any permitted day care center shall comply with all local and state laws regarding the licensing and operating of a day care center and, in addition, shall: (i) name the Association as an additional insured on a commercial general liability insurance policy covering the operation of the day care center in a form and substance approved by the Association; (ii) abide by and comply with all of the Association's governing documents; (iii) supervise and be completely responsible for children at all times while they are within the Property; and (iv) cooperate with the Association if the Association's insurance agent or carrier requires proof of insurance, proof of the agreement of the owner or operator of the center to these conditions, or other reasonable requests.”

APPROVE: _____ **DISAPPROVE:** _____

13. CC&Rs BALLOT ITEM 13 RE CLAUSE III-PARAGRAPH 28-COMMON AREAS; BUSINESS USAGES:

Purpose: The Common Areas continue to be developed for the benefit of the Property, including the recent addition of a gym and potential future commercial applications such as a shop. The language below if adopted would require that any such business is primarily for the use and benefit of Members and the guests of a Member, and would require an open hearing before the approval of such commercial use.

Proposal: The following language is hereby added to Clause III of the Declaration as a new Section 28:

“28. COMMON AREAS; BUSINESS USAGES. The Common Areas, including any business allowed to be operated thereon, shall be primarily for the use and benefit of Members and guests of a Member. No business shall be allowed to operate in the Common Areas which shall be the cause of, or contribute to, a nuisance. Furthermore, all business uses in the Common Areas shall be the subject of a written lease accepted in writing by the Board following at least one (1) hearing open to Members to be held upon at least thirty (30) days prior written notice.”

APPROVE: _____ **DISAPPROVE:** _____

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14.A. SPECIFIC FOCUS BALLOT RE CLAUSES IV; ARCHITECTURAL COMMITTEE:

Purpose: Clause V, Section 1 of the existing CC&Rs require an Architectural Committee comprised of three (3) persons. The language of Ballot Item 14.A, below, if approved, would permit the Architectural Committee to consist of at least three (3) but not more than five (5) persons and would delete all references to the developer’s powers.

Proposal: Section 1 of Clause IV of the Declaration is hereby deleted in its entirety and replaced with the following language:

1. CREATION. The Architectural Committee appointed by the Board as required by this Declaration shall consist of at least three (3), but not more than five (5) persons selected by, but not from, the Board, each of whom must be a Member of the Association, and all of whom shall be voting members of the Committee. In order to ensure a diversity of viewpoints and to help achieve a quorum able to act on matters before it, the preference shall be for the Architectural Committee to consist of five (5) persons , and for there to be less than five (5) persons only when there is an insufficient number of volunteers.

APPROVE: _____ **DISAPPROVE:** _____

14.B. GLOBAL FOCUS BALLOT RE CLAUSES IV; ARCHITECTURAL COMMITTEE:

Purpose: The architectural provisions in the existing CC&Rs are located in Clause III, Section 21 and Clause IV of the CC&Rs. The language of Ballot Item 14.B, if approved, would consolidate the architectural provisions into one location. Additionally, as explained below, some of the current architectural provisions in Sections 2 through 6 of Clause IV are outdated or they are inconsistent or deficient with respect to current law. The format for the proposed changes to Sections 2 through 6 of Clause IV largely follows the existing format. Here are the primary changes to the various Sections:

- Existing Section 2 is obsolete as it refers to a condition (transfer of powers from the original developer of the Property to the Association) as a future event, which conditions have been met as more than three (3) years have passed from the sale of the first Lot. It has been replaced with language from Clause III, Section 21 of the existing CC&Rs. Also included in the revised Section 2 is language which vests final decisions regarding architectural matters in the Board (as all committees properly report to and are advisory to the Board) and which sets forth guidelines for selecting members of the Architectural Committee. Additionally, if Ballot Item 14.B is approved, a procedure for allowing for alternate Architectural Committee members (e.g., in the event a Committee member is out of town, ill or otherwise unavailable) would be added to the CC&Rs which is intended to create better opportunity for the quorum necessary for the Architectural Committee to act.
- Existing Section 3 would be changed to reflect the current address of the Association, to include other provisions required by law (for example, the

time frames for review of applications, that decisions be in writing, etc.) and to include the remaining provisions from Clause III, Section 21. It also clarifies that the Board can adopt rules relating to the architectural review process.

- Existing Section 4 has not been changed other than to reflect that the Board, not the Architectural Committee, will adopt rules relating to the architectural review process as creation of rules is a Board function.
- Existing Section 5 has been revised to reflect changes in law which currently prohibit the recording of a notice of violation, and only authorize the recordation of a notice of violation only to the extent that, in the future, it becomes permissible under California law to do so.
- New Section 6 provides that Owners start work within a reasonable time period, not years after the approval is granted.
- New Section 7 would affirm the right of the Board or the Architectural Committee to inspect a house under construction or had been constructed within the prior ninety (90) days for compliance with the approved plans at reasonable hours and upon reasonable notice. Additionally, this new Section identifies the Board's legal rights and remedies if an Owner violates the architectural provisions.

Proposal: Sections 2-6, inclusive, of Clause IV of the Declaration is hereby deleted in its entirety and replaced with the following language:

“2. AUTHORITY; ARCHITECTURAL CONTROLS.

A. The Board shall conduct all architectural reviews required or authorized by this Declaration; provided, however, that the Board shall establish, as a permanent standing committee, an advisory Architectural Committee, in accordance with Section 1, above, and Section 2.B, below. The advisory Architectural Committee shall review all Applications (as defined below) as requested by the Board and render opinions thereon to the Board; however, the Board, by the approval of a majority of a quorum of Board members, documented in writing, shall be the final decision maker on all architectural matters.

B. The Architectural Committee appointed by the Board shall consist of at least three (3), but not more than five (5) persons selected by, but not from, the Board, each of whom must be a Member of the Association, and all of whom shall be voting members of the Committee. In selecting the advisory Architectural Committee, the Board shall give written notice to the Members of the Association seeking volunteers to apply and shall give a priority to one or more of those applicants who is/was a practicing architect or civil engineer and is/was a practicing lawyer so as to ensure, so far as practicable, that at least one member of the Committee is, at all times, a practicing or retired architect or civil engineer and at least one member is a practicing or retired lawyer. In order to ensure a diversity of viewpoints and to help achieve a quorum able to act on matters before it, the preference shall be for the Architectural Committee to consist of five (5) persons, and for there to be less than five (5) persons only when there is an insufficient number of volunteers. For complex projects, the Board may, in its discretion, retain as a consultant a licensed residential architect and/or other professionals which individual(s) shall not be voting member(s), and

whose retention shall be pursuant to an annual budget to be established by the Board, as the same may be modified from time to time. From time to time, at its sole discretion, the Board may also designate one or more alternate Architectural Committee members to act in such capacity at a meeting when an Architectural Committee member will be absent from such meeting. Such alternate Architectural Committee member shall count for quorum purposes and shall have the authority to vote on matters considered at such meeting.

C. No building or structure of any kind, including without limitation, dwellings, accessory buildings, garages, fences, walls, retaining walls, sidewalks, steps, awnings, poles, swimming pools, tennis courts and the like shall be erected, constructed, installed, placed, altered or maintained upon any Lot or upon any street or parkway adjacent thereto unless and until complete detailed plans and specifications therefor, color scheme thereof, if appropriate, and a plot plan showing and fixing the location of such structure with reference to the streets and Lot lines (and the grading plan if requested) shall have been first submitted for approval to and approved in writing by the Board.

3. PROCEDURE.

A. All applications or resubmittals (collectively, "Application(s)") for Board approval (including, without limitation, all plans and specifications and other material required or permitted to be filed) shall be filed with the Architectural Committee at 30 Hackamore Lane, Bell Canyon, California, 91307, or such other office as the Board shall specify. The Architectural Committee shall review such Application and issue to the Board within thirty (30) days after the Architectural Committee's receipt of a complete Application a written recommendation for approval, disapproval or conditional approval of the Application, unless the time frame for review by the Architectural Committee is extended by a written agreement between the Applicant and the Architectural Committee. The Architectural Committee's recommendation shall be based on the majority of a quorum of its members.

B. At the next regularly scheduled Board meeting which is more than fifteen (15) days from the Board's receipt of the recommendation from the Architectural Committee, the Board shall either adopt the Architectural Committee's recommendation, or set the matter for a decision at its next regularly scheduled Board meeting. At such meeting, the Board shall either approve or disapprove the Application. Within fifteen (15) days of said meeting, unless all parties agree to an extension, the Board shall send its written decision on the Application to the Applicant which, in the event of a disapproval, shall include an explanation of why the proposed Application is disapproved. Such decision shall be final as to the Application. The Board's approval or disapproval on matters required by this Declaration shall be by a majority of a quorum of Board members.

C. Approval by the Board of the erection, construction, installation, placement, alteration or maintenance of said structure may be withheld because the same would in its judgment cause or result in the violation of the CC&Rs and/or also because of the reasonable dissatisfaction of the Board with the grading

plan, location of, the structure, color scheme, finish, design, proportions, architecture, shape, height, style or appropriateness of the proposed structure or altered structure, materials proposed to be used thereon, or because of its reasonable dissatisfaction with any or all other matters or things which, in the reasonable judgment of the Board, would render the proposed structure inharmonious or out of keeping with the general plan of improvement of the subject property.

D. The approval of the Board of any plan or specifications, color scheme, plot plan or grading plan submitted for approval for use on any particular Lot shall not be deemed to be a waiver by the Board of its right to object to any of the features or elements embodied therein, if and when the same features or elements are embodied in any subsequent plan and specifications, color scheme, plot plan, or grading plan submitted for approval with respect to other Lots.

E. No building or other structure for which any plan and specification, color scheme, plot plan or grading plan have been approved by the Board shall be erected, constructed, installed, placed, altered or maintained, except in strict conformance with said plans and specifications, color scheme, plot plan and grading plan and such conditions and requirements as the Board may impose in connection with its approval of same. Any deviation from said plans and specifications, color scheme, or grading plan and such erection, construction, installation, placement, alteration or maintenance shall nullify the approval of the Board required by this Section and shall, as to such deviation, be deemed to have been undertaken without the Board's approval or consent.

F. After the completion of the erection, construction, installation, placement or alteration of any building or other structure in accordance with the provisions of this Section, the Board will, upon request of the Owner of said building or structure, or his or her agent or representative, issue a certificate that said building or structure has been so completed, if the Board determines such to be the fact.

G. Neither the Association, the Board nor the Architectural Committee shall be responsible for any defects in any building or other structure erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications, color scheme, plot plan or grading plan approved by the Board or any conditions or requirements that the Board may have imposed with respect thereto.

4. **FUNCTION:** The function of the Board, in addition to the functions set forth elsewhere in this Declaration, shall be to consider and approve or disapprove any plans and specifications or other materials submitted to it with respect to buildings or other structures to be erected, constructed, installed, altered, placed or maintained on any Lot, and for the alteration or remodeling of or additions to any then existing structure on any Lot, so that all structures shall conform to the provisions hereof, the general plan of development and such Rules and Regulations as the Board may adopt for the improvement and development of the Property, which may be changed by the Board from time to time.

5. **RECORDING AND MAILING OF NOTICES OF VIOLATIONS.** Notice of any breach or violation of any of the restrictions, or notice of any failure of any person, firm or corporation to comply therewith within a reasonable time after the occurrence of, or discovery of, such breach, violation or failure to comply, shall be executed by the Board, and, to the extent permissible by law, recorded in the Office of the County Recorder of Ventura County, describing the Lot involved; and a copy of such notice showing the date of recordation within a reasonable time after recordation thereof as aforesaid shall be mailed by certified mail to the last known address of the person, firm or corporation responsible for such breach or violation of or failure to comply with any of said restrictions.

6. **DILIGENT PROSECUTION OF WORK.** The approval of any alteration, shall be deemed conditional upon the commencement of said work within one hundred eighty (180) days after the approval of the Board for the same shall have been obtained, or within such other period as shall have been specified by the Board at the time of its approval. If the work is not commenced within one hundred eighty (180) days after the approval date, or such later time as the Board has granted, then the approval shall be deemed canceled, and the Owner must reapply to the Board before undertaking any such work. All work must be prosecuted diligently to completion within a reasonable time and in any event before the expiration of such period as may be specified by the Board. Each Owner shall, upon completion of an approved alteration, promptly notify the Board that such alteration has been completed.

7. **INSPECTION; COMPLIANCE.**

A. **INSPECTIONS.** Any member or authorized agent of the Board may from time to time, at any reasonable hour and upon reasonable notice, enter and inspect any property subject to an open Application before the Board or where the Board reasonably believes that improvements are then being constructed or had been completed within the prior ninety (90) days without the requisite approval.

B. **FAILURE TO COMPLY.** If, after an Application has been approved, (i) the alteration is altered, erected, or maintained otherwise than as approved by the Board, or (ii) if such alteration is constructed without obtaining approval at all, or (iii) such alteration is constructed with defects which are observed by the Board during an inspection, such alteration shall be deemed to have been undertaken without the approval of the Board having been obtained as required by this Declaration. With regard to work that is not in compliance with this Section, the Board shall take such actions as it deems necessary in accordance with the provisions of this Declaration, including, without limitation, and in its sole discretion, any or all of the following: (A) require that the Owner remove and/or remedy the non-complying or defective alteration, (B) remove and/or remedy the non-compliance itself, after notice and hearing, (C) impose monetary penalties against the Owner, after notice and hearing, until such non-compliance is corrected, and/or (D) institute legal proceedings to enforce compliance or completion.”

APPROVE: _____

DISAPPROVE: _____

15. CC&Rs BALLOT ITEM 15 RE CLAUSE V-WOODLAND HILLS COUNTRY ESTATES ASSOCIATION:

Purpose: As the Association changed its name since recordation of the original CC&Rs, the title of **CLAUSE V** and Paragraph 1 thereof (**PURPOSES OF THE ASSOCIATION**) would be amended to reflect the same pursuant to the language below.

Proposal: The title to Clause V, and the first paragraph of Section 1 of Clause V are hereby deleted in their entirety and replaced with the following language (Subsections A-L of Clause V remain unchanged):

“CLAUSE V
BELL CANYON ASSOCIATION

1. **PURPOSES OF ASSOCIATION.** Bell Canyon Association, a nonprofit mutual benefit corporation organized under the laws of the State of California (hereafter called ‘Association’), shall have the power to perform each of the following for the benefit of the Property and the Members:”

APPROVE: _____ **DISAPPROVE:** _____

[SPACE LEFT INTENTIONALLY BLANK]

**16. CC&Rs BALLOT ITEM 16 RE CLAUSE VI-GENERAL PROVISIONS;
PARAGRAPH 4. NULLIFICATION OF COVENANTS:**

Purpose: Currently, among the requirements for amendments to the governing documents is the requirement of the affirmative vote of at least two-thirds (2/3) of the record Owners in fee of the Association (not two-thirds of those voting). The Act (at Civil Code Section 4275) which governs associations such as our Association, provides that the board of an association and other interested parties with standing may seek relief from this provision of the governing documents and the courts have, on a case by case basis, overridden this provision and accepted a lesser majority vote instead. The option of involving the courts raises the specter of attorneys' fees and costs for an association. The language below, if approved, would reduce the vote of the Owners needed to amend the governing documents from 2/3rds of the Owners, to 60% of the Owners in an effort to reduce the need for such litigation and to facilitate the more orderly and timely modification of the governing documents.

Proposal: Clause VI, Section 4 of the Declaration is hereby deleted in its entirety and replaced with the following language:

“4. NULLIFICATION OF COVENANTS. These restrictions may be revoked, modified, amended or supplemented in whole or in part, and any or all of the Property may be released from any part or all of said restrictions at any time, but only by the affirmative vote of at least sixty percent (60%) of the Owners of Lots in the Property. Said amendments shall be effective after all of the following requirements have been met: (1) The amendment has been approved by the percentage of Members required by the Declaration; (2) That fact has been certified in a writing executed and acknowledged by the officer designated in the Declaration or by the Association for that purpose, or if no one is designated, by the president of the Association; and (3) The amendment has been recorded in each county in which a portion of the Property is located. Upon and after the effective date of any such changes, it or they shall be binding upon all persons, firms and corporations then owning any Lot, part or parcel in or of the Property and shall run with the land and bind all persons claiming by to or under any one or more of them. A Certificate of Amendment recorded in Ventura County California Recorder's Office as to the record ownership of the Lots shall be deemed conclusive evidence thereof with regard to compliance with the provisions of this Section.”

APPROVE: _____ **DISAPPROVE:** _____

17. CC&Rs BALLOT ITEM 17 RE CLAUSE VII-STANDING ADVISORY LEGAL COMMITTEE:

Purpose: The world has become a much more litigious place. Our Association’s legal costs have been increasing. The language below, if approved, would create a standing advisory Legal Committee to assist the Board in creating a less contentious and more harmonious environment for the Association and its Members.

Proposal: The following language is hereby added to the Declaration as a new Clause VII:

**“CLAUSE VII
ADVISORY LEGAL COMMITTEE**

1. **CREATION:** The Board shall at all times have a standing advisory Legal Committee. The Legal Committee shall consist of not less than three (3) persons selected by, but not from, the Board, each of whom must be a Member of the Association, all of whom shall be voting members of the Committee. In selecting the Committee, the Board shall give written notice to the Members of the Association seeking volunteers to apply and shall give a priority to those applicants who is/are a practicing or retired lawyer to ensure, so far as practicable, that at least one member of the Committee is, at all times, a practicing or retired lawyer.

2. **FUNCTION:** The function of the Legal Committee is to make recommendations to the Board that will assist the Board in creating a less contentious and more harmonious environment for the Association and its Members. In connection therewith, with regard to matters referred to the Legal Committee by the Board, the Committee shall consider matters from the perspective of the Association and its Members as a whole, focusing on the best interests of the Association in all matters, and make recommendations to the Board with regard to possible means of effective and efficient resolution of disputes and/or avoidance of disputes. The Legal Committee shall provide the Board such other assistance as the Board may, from time to time, request.

3. **ADVISORY CAPACITY.** In fulfilling its duties as set forth above, the Legal Committee shall be providing to the Board recommendations and suggestions only, not legal advice, and shall not be functioning as legal counsel, nor privy to confidential communications between the Association and its legal counsel. The Legal Committee shall lack the authority to make decisions on behalf of the Board/Association or to otherwise bind the Board/Association.”

APPROVE: _____ DISAPPROVE: _____

18. CC&Rs BALLOT ITEM 18 RE DELETION OF DECLARANT RIGHTS

Purpose: The existing language in Clause VI, Section 7 of the CC&Rs relates to the Declarant’s rights to assign its rights and obligations to a successor party. The Declarant is no longer a part of the project. The language below addresses this changed condition.

Proposal: Clause VI, Section 7 of the Declaration is hereby deleted in its entirety.

APPROVE: _____ **DISAPPROVE:** _____

19. CC&Rs BALLOT ITEM 19 RE CLARIFICATION OF ADDRESS FOR NOTICE

Purpose: The existing language in Clause VI, Section 8 of the CC&Rs requires that Owners notify the Declarant of a change in address. The Declarant is no longer a part of the project. The language below addresses this changed condition.

Proposal: Clause VI, Section 8 of the Declaration is hereby deleted in its entirety and replaced with the following language:

“8. MAILING ADDRESS FOR NOTICE. Each Owner of a Lot shall file the correct mailing address of such Owner with the Association and shall promptly notify the Association in writing with any subsequent change of address.”

APPROVE: _____ **DISAPPROVE:** _____

20. CC&Rs BALLOT ITEM 20 RE ALTERNATE COMMITTEE MEMBERS

Purpose: If Ballot Item 20 is approved, a procedure for allowing for alternate committee members for any non-executive committee (e.g., in the event a committee member is out of town, ill or otherwise unavailable) would be added to the CC&Rs which is intended to create better opportunity for the quorum necessary for the committee to act.

Proposal: The following language is hereby added to Clause VI of the Declaration as a new Section 11:

“11. ALTERNATE COMMITTEE MEMBERS. With regard to any non-executive committee (i.e., any advisory committee), from time to time, at its sole discretion, the Board may also designate one or more alternate committee members to act in such capacity at a meeting when a committee member will be absent from such meeting. Such alternate committee member shall count for quorum purposes and shall have the authority to vote on matters considered at such meeting.”

APPROVE: _____ **DISAPPROVE:** _____

21. CC&Rs BALLOT ITEM 21 RE FIRE SAFETY AND PREVENTION, BRUSH CLEARANCE AND TREE AND FOLIAGE MAINTENANCE

Purpose: The County has a one hundred foot (100') brush clearance regulation which becomes effective June 1st of each year. First responders have advised the Community that the new paradigm requires fire prevention year round. Further, even with the one hundred foot (100') clearance, fire on one Lot has in the case of the Woolsey fire, spread to an adjoining Lot, and this problem is exacerbated by rubbish, dead or dying trees and shrubs, and other flammable materials catching fire and spreading the fire. The Ballot Item below, if approved, seeks to address these concerns.

Proposal: The following language is hereby added to Clause VI of the Declaration as a new Section 12:

“Each Owner of a Lot shall have an obligation to regularly clear brush from at least one hundred feet (100') from any structure on such Owner's Lot or such greater distance as may be set forth in the rules and regulations adopted by the Board from time to time. Each Owner shall also regularly trim and prune trees and foliage on such Owner's Lot as may be necessary to remove dead limbs, branches and other debris from the Lot and shall not store highly flammable materials within five feet (5') of the adjacent Owner's Lot. Each Owner shall also regularly trim and prune any trees, hedges or landscape buffer exceeding five feet (5') in height located on such Owner's Lot so that such materials have not less than five feet (5') of clearance from any structures legally located on the adjacent Owner's Lot. For purposes hereof, the term “regularly” shall mean on an ongoing basis. In order to mitigate the risk of fire and the danger of contagion, it is the intention of the Association to provide the Board with broad discretion and authority to adopt such reasonable measures as the Board may consider necessary or appropriate for the protection of the health and safety of the Members and their properties, and it is specifically contemplated that such rules and regulations may require standards of clearance, debris removal, tree maintenance, landscaping standards, standards for the storage of fuel and combustible materials and other like requirements that exceed the minimum governmental requirements applicable to such matters. In addition to any other rights and remedies which the Board may have, in connection with a violation of this Section, the Board may, after notice and a hearing, impose monetary penalties against the Owner and/or enter a Lot and cause such work to be performed at the Owner's expense. The costs incurred by the Association in bringing an Owner into compliance shall be assessed to an Owner as a special assessment, which special assessment may be collected from the Owner in the same manner as this Declaration and the Civil Code. ”

APPROVE: _____

DISAPPROVE: _____

22. CC&RS BALLOT ITEM 22 RE UPDATES TO CC&RS TO MAKE CONSISTENT WITH CALIFORNIA LAW AND BYLAWS WHICH WILL BE AUTOMATICALLY APPROVED IF ANY BALLOT ITEM ABOVE IS APPROVED:

Subsequent to the date of the Association’s CC&Rs, the Davis-Stirling Act was passed by the California State legislature for the purpose, among others, of codifying and protecting the rights of members of an association such as Bell Canyon Association. If any of the Ballot Items 1 through 21 receive an “APPROVE” vote from at least two-thirds (2/3) of the Owners, then the CC&Rs will be amended to include those Ballot Items receiving such vote, and the provisions appearing at Ballot Item 22.A-22.N below shall be deemed approved and shall also be included in the CC&Rs to conform with current California law. This practice will avoid the Amended CC&Rs from conflicting with existing law and also avoid confusion that would otherwise result from someone reading the CC&Rs and not realizing that these provisions are different under current California law. This Ballot Item also contains a clerical change to Clause VI, Section 3 of the CC&Rs which reflects the status of the Board as decision-maker. This is informative in nature and is not substantive as California law would supersede any contrary provision in the Amended CC&Rs.

A. Purpose: The Declarant is no longer a part of the project.

Proposal: All references in the Declaration to the Declarant and the rights of the Declarant are hereby deleted in their entirety.

B. Purpose: The duly-elected Board is the proper decision-maker with respect to these provisions.

Proposal: The references to the “Architectural Committee” in the following provisions are hereby deleted in its entirety and replaced with the word “Board”: Clause I, Definition of “Lot Line, Front, and Clause III, Sections 2, 4, 6 , 9, 10, 14, 15, 16, 17, 22, 24, 25, and 26.

[SPACE LEFT INTENTIONALLY BLANK]

C. Purpose: Clause III, Section 19 of the CC&Rs is not consistent with Civil Code Section 4710 of the Act.

Proposal: Clause III, Section 19 of the Declaration is hereby deleted in its entirety and replaced with the following language:

“19. SIGNS. Except as otherwise required by law, no sign, poster, banner, flag, notice, nameplate, card or advertisement of any kind shall be installed, posted or displayed to the public view in or on any Common Area, without the approval of the Board. Non-commercial signs, posters, flags or banners are prohibited on Lots except as provided in the Act. No commercial signs, posters, flags or banners may be posted or displayed from a Lot, other than a for sale or for lease sign of a professional type and dignified appearance. The Board shall have the sole authority to determine whether said sign is of a professional type and dignified appearance.”

D. Purpose: The Act requires notice and a hearing before the suspension of a member’s privileges, even due to the failure to pay assessments (See Civil Code Section 5855).

Proposal: The phrase “, except for the failure to pay assessments,” in Clause V, Section 5.E of the Declaration is hereby deleted in its entirety.

E. Purpose: The Declarant is no longer a part of the project.

Proposal: The phrase “The Declarant, for each lot owned within the properties, hereby covenants, and” in Clause V, Section 7 of the Declaration is hereby deleted in its entirety.

[SPACE LEFT INTENTIONALLY BLANK]

F. Purpose: The assessment set forth in the Association’s CC&Rs are inconsistent with the Act (See Civil Code Section 5600 et seq.).

Proposal: Subsection C of Section 10 of Clause V of the Declaration is hereby deleted in its entirety and replaced with the following language from the Act:

“C. Increases in Assessments.

(1) Annual increases in regular assessments for any fiscal year shall not be imposed unless the board has complied with paragraphs (1), (2), (4), (5), (6), (7), and (8) of subdivision (b) of Section 5300 with respect to that fiscal year, or has obtained the approval of a majority of a quorum of members, pursuant to Section 4070, at a member meeting or election. Notwithstanding more restrictive limitations placed on the Board by the governing documents, the Board may not impose a regular assessment that is more than 20 percent greater than the regular assessment for the Association’s preceding fiscal year or impose special assessments which in the aggregate exceed 5 percent of the budgeted gross expenses of the Association for that fiscal year without the approval of a majority of a quorum of Members, pursuant to Civil Code Section 4070, at a member meeting or election. For the purposes of this section, “quorum” means more than 50 percent of the members.

(2) Section C(1), above, does not limit assessment increases necessary for emergency situations. For purposes of this section, an emergency situation is any one of the following:

- (a) An extraordinary expense required by an order of a court.
- (b) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the association is responsible where a threat to personal safety on the property is discovered.
- (c) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual budget report under Civil Code Section 5300. However, prior to the imposition or collection of an assessment under this subdivision, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.

[TEXT OF PROPOSED AMENDMENT CONTINUED ON NEXT PAGE]

(3) The Association shall provide individual notice pursuant to Civil Code Section 4040 to the Members of any increase in the regular or special assessments of the Association, not less than 30 nor more than 60 days prior to the increased assessment becoming due.

- G. Purpose: The existing language in this Section (regarding the vote of Owners needed to approve a special assessment) is inconsistent with the Act (See Civil Code 5605).**

Proposal: The phrase beginning “PROVIDED THAT any such assessment . . . setting forth the purpose of the meeting” in Section 11 of Clause V of the Declaration is hereby deleted in its entirety.

- H. Purpose: The existing language in this Section (regarding the quorum requirement for member meetings requiring a vote on assessments) is inconsistent with the Act (See Civil Code 5605).**

Proposal: Clause V, Section 13 of the Declaration is hereby deleted in its entirety.

- I. Purpose: The existing language in this Section relates to the commencement of assessments after purchase of a Lot from the Declarant and is no longer relevant as the Declarant no longer owns any Lots.**

Proposal: Subsection A of Section 14 of Clause V of the Declaration is hereby deleted in its entirety.

[SPACE LEFT INTENTIONALLY BLANK]

J. Purpose: Clause V, Section 16 of the CC&Rs is not consistent with Civil Code Section 5650 of the Act.

Proposal: Clause V, Section 16 of the Declaration is hereby deleted in its entirety and replaced with the following language from the Act and, with regard to subsections (c) and (d), other portions of the Association’s existing CC&Rs:

“16. Delinquency.

(a) A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney’s fees, if any, and interest, if any, as determined in accordance with subdivision (b), below, shall be a debt of the Owner of the separate interest at the time the assessment or other sums are levied.

(b) Regular and special assessments levied pursuant to the governing documents are delinquent 15 days after they become due, unless the Declaration provides a longer time period, in which case the longer time period shall apply. If an assessment is delinquent, the Association may recover all of the following:

(1) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney’s fees.

(2) A late charge not exceeding 10 percent of the delinquent assessment or ten dollars (\$10), whichever is greater, unless the declaration specifies a late charge in a smaller amount, in which case any late charge imposed shall not exceed the amount specified in the Declaration.

(3) Interest on all sums imposed in accordance with this section, including the delinquent assessments, reasonable fees and costs of collection, and reasonable attorney’s fees, at an annual interest rate not to exceed 12 percent, commencing 30 days after the assessment becomes due, unless the Declaration specifies the recovery of interest at a rate of a lesser amount, in which case the lesser rate of interest shall apply.

(c) The charges duly made according to Clause III, Sections 6, 9, 14 and 15 or Clause VI, Section 3, shall become a lien against the property to the extent of the unpaid balance. The Association may record such a lien and foreclose it as provided by the Act; however, such lien shall be subordinate to any bona-fide mortgage or deed of trust given in good faith and for value.

(d) The Association may, at its option, bring an action at law against the Owner personally obligated to pay the same, and/or, upon compliance with the notice provisions set forth in Section 17 of this Clause, to foreclose the lien against the Lot.”

K. Purpose: Clause V, Section 17 of the CC&Rs is not consistent with Civil Code Sections 5660, et seq. of the Act.

Proposal: Clause V, Section 17 of the Declaration is hereby deleted in its entirety and replaced with the following language from the Act:

“17. Notice of Liens.

(a) At least 30 days prior to recording a lien upon the separate interest of the Owner of record to collect a debt that is past due under Section 5650, the Association shall notify the Owner of record in writing by certified mail of the following:

(1) A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount, a statement that the Owner of the separate interest has the right to inspect the Association records pursuant to Civil Code Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed:

“IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.”

(2) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney’s fees, any late charges, and interest, if any.

(3) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association.

(4) The right to request a meeting with the Board as provided in Civil Code Section 5665.

(5) The right to dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association’s “meet and confer” program required in Article 2 (commencing with Civil Code Section 5900) of Chapter 10.

(6) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Civil Code Section 5925) of Chapter 10 before the Association may initiate foreclosure against the Owner’s separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

[TEXT OF PROPOSED AMENDMENT CONTINUED ON NEXT PAGE]

(b) The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with subdivision (b) of Civil Code Section 5650, shall be a lien on the owner's separate interest in the common interest development from and after the time the Association causes to be recorded with the county recorder of the county in which the separate interest is located, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with subdivision (b) of Section 5650, a legal description of the owner's separate interest in the common interest development against which the assessment and other sums are levied, and the name of the record owner of the separate interest in the common interest development against which the lien is imposed.

(c) The itemized statement of the charges owed by the owner described in subdivision (b) of Civil Code Section 5660 shall be recorded together with the notice of delinquent assessment.

(d) In order for the lien to be enforced by nonjudicial foreclosure as provided in Civil Code Sections 5700 to 5710, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the association to enforce the lien by sale.

(e) The notice of delinquent assessment shall be signed by the person designated in the Declaration or by the Association for that purpose, or if no one is designated, by the president of the Association.

(f) A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an owner of the separate interest in the Association's records, and the notice shall be mailed no later than 10 calendar days after recordation.

(g) A lien created pursuant to Civil Code Section 5675 shall be prior to all other liens recorded subsequent to the notice of delinquent assessment, except that the Declaration may provide for the subordination thereof to any other liens and encumbrances."

[SPACE LEFT INTENTIONALLY BLANK]

L. Purpose: Clause V, Section 18 of the CC&Rs is not consistent with Civil Code Sections 5700 et seq. of the Act.

Proposal: Clause V, Section 18 of the Declaration is hereby deleted in its entirety and replaced with the following language:

“18. Foreclosure Sale. The Association may foreclose its lien against an Owner’s Lot or otherwise collect or collect a debt for delinquent assessments in the manner provided for in Civil Code Section 5700 et seq. The Board, or its duly authorized representative, on behalf of the Association, shall have the power to bid on and purchase the Lot at foreclosure sale and hold, use, lease, encumber and convey the same.”

M. Purpose: Covenants regarding the payment of assessments should be in the Association’s CC&Rs, not its Bylaws. This amendment shifts the language from the Bylaws to the CC&Rs.

Proposal: The following language is hereby added to Clause V of the Declaration as a new Section 23:

“SECTION 23. PROVISIONS REGARDING ROAD RESERVES. The proceeds of all assessments levied by the Association for road reserves shall be held, administered and distributed in accordance with the provisions of this Section 23, as follows:

a. Applications - This Section 23 shall apply to all assessments for road reserves levied by the Association after October 1986. An assessment shall be deemed to be “for road reserves” to the extent the Board so specifies in the proposed resolution submitted for the approval of the Members whether the assessment is made pursuant to Section 10(C) or to Section 11 of Clause V of the Declaration.

b. Use of Proceeds - The proceeds of any assessments subject to this Section 23 in full, and the portion of the proceeds of any assessments partially subject to this Section 23, shall be designated and accounted for as capital contributions to the Association, and the Board shall take such steps as may be reasonably necessary to prevent the funds from being taxed income of the Association. All such proceeds and all earnings thereon shall be maintained in segregated accounts and not commingled with other funds of the Association. Disbursements may be made from such segregated accounts only for the purposes of maintaining, operating, repairing, improving, reconstructing or replacing the roads owned by the Association, including any necessary fixtures and/or personal property related to such roads.”

- N. Purpose: The Declarant is no longer a part of the project, and the Board, not the Architectural Committee, is the decision-maker for the Association. The language below addresses these facts.**

Proposal: Clause VI, Section 3 of this Declaration the phrases “Declarant or the Architectural Committee” “Declarant, the Architectural Committee, or an assignee of the Declarant pursuant to Section 7 of this Clause VI,” and “Declarant and the Architectural Committee” are hereby deleted in their entirety and replaced with the word “Board.” The full text of Clause VI, Section 3, is as follows, with the *italics* showing the location of the changes made:

“3. VIOLATION OF RESTRICTIONS. ENFORCEMENT.

A. Except as otherwise may be expressly limited in the Declaration with regard to architectural violations, upon any violation or breach of any said covenants, the *Board* may enter any Lot, part or parcel in or on subject property upon or as to which such violation exists and may alter, correct, modify or remedy or summarily abate or remove at the expense of the owner of such lot, part or parcel anything or condition that may be or exist thereon contrary to the provisions hereof. The *Board* shall not thereby be deemed to have trespassed upon such lot, part or parcel and shall be subject to no liability to the owner or occupant of such parcel for any such entry or other action taken pursuant to this sub-section. In the event the owner of such lot fails to pay upon demand the expense of such alteration, correction, modification, remedying, abatement or removal, the *Board* shall be entitled to record a lien against such lot, part or parcel thereon in subject property upon or as to which such violation existed.

B. Violation of any said covenants may be enjoined, abated, restrained or otherwise remedied by any lawful means or proceedings. Proceedings to restrain violation of said covenants may be brought at any time that such violation appears reasonable likely to occur in the future.

C. Such covenants shall bind and inure to the benefit of and be enforceable by the *Board* and the owner or owners of any lot, part or parcel in or of subject property, and the respective heirs, as successors and assigns of each. The failure of the *Board* or of any such owner or of any other person entitled to enforce any of said covenants to enforce the same shall in no event be deemed a waiver of the right to such person or of any other person entitled to enforce these restrictions to enforce the same thereafter.

D. Waiver or attempted waiver of any of said covenants with respect to any lot, part or parcel in or of subject property shall not be deemed a waiver thereof as to any other lot, part or parcel, nor shall the violation of any of said covenants upon any lot, part or parcels affect the applicability or enforceability of said covenants with respect to any other lot part or parcel.”