

HIGH DESERT RESIDENTIAL OWNERS ASSOCIATION, INC.

POLICY FOR VILLAGE PROPOSALS

Authority

This policy is adopted in accordance with Article III, Section C, Paragraphs 3.15 and 3.16, of the Fourth Amended and Restated By-Laws of High Desert Residential Owners' Association, Inc. (the "By-Laws"), which set forth the general powers and duties of the Board of Directors with respect to the administration of the Association's affairs.

Background and Purpose

The By-laws and the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for High Desert Residential Properties, as amended, (the "CC&R's") provide broad powers to the Board of Directors to adopt rules and regulations on behalf of the Association and manage the "Use Restrictions" that govern activities within the Properties. In addition, Supplemental Declarations pertaining to the various gated Villages within the community empower the Board to adopt "Street Rules" and entry, gate, signage, and private amenity rules pertaining to those Villages. In addition, the By-Laws give the Board responsibility for "providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility."

In exercising its power to adopt rules on behalf of specific Villages and provide care for Common Areas, the Board has generally preferred to seek the input of Village Owners, either through consultation with the elected Voting Members from that Village or by conducting a vote on an issue in which all Owners within the Village may participate. The purpose of this policy is to set forth the general guidelines and conditions that the Board will apply in considering proposals from Voting Members and/or interested Owners for Village Changes, defined as: (1) the adoption or amendment of Village rules, (2) changes in the operation, care, upkeep, and maintenance of the Common Areas, or (3) improvements to Common Areas.

Although this policy applies most specifically to the private, gated Villages within High Desert, similar procedures will be followed for issues pertaining to non-gated Villages where needs and circumstances dictate. This policy replaces the Policy Related to the Adoption of Village Rules approved by the HDROA Board of Directors on February 14, 2006 and modified on December 18, 2013.

General Rules

1. No Village Proposal may be adopted that seeks to expand, replace, or modify any provision of the CC&R's, Guidelines for Sustainability, Supplemental Declarations, or By-Laws, all of which have defined amendment procedures. Additionally, in the event of a conflict, the CC&R's, Guidelines for Sustainability, and By-Laws take precedence over any rule or Board policy. Specifically,
 - a. No Village Proposal may be adopted that seeks to expand, replace, or modify the Architectural Standards for the Village
 - b. No Village Proposal may be adopted that conflicts with the "Use Restrictions" provisions of the CC&R's nor with any rule, regulation or policy that applies to the Association as a whole.
 - c. All Village Proposals must comply with Section 12.5(a) of the CC&R's which states that "similarly situated Owners and occupants shall be treated similarly."
2. No Village Proposal may restrict the rights and privileges of Owners or occupants of other Villages in the Association.
3. All Village Proposals are subject to approval by the Modifications or New Construction Committee when relevant.
4. In non-gated Villages, where all streets are public roadways, any proposals relating to street signage, parking, traffic flow, etc., must follow applicable state laws and city ordinances and will be subject to final approval by the appropriate governmental authorities.
5. All proposals approved according to this policy will be promptly posted to the HDROA website and entered by the management company into the official records of the Association.

Guidelines for Consideration

Following are the general guidelines that the Board intends to follow in dealing with proposals for Village Changes. All parties should understand that the Board remains the final authority in all such matters and reserves the right to modify or circumvent these guidelines when, in its sole judgment, it is in the best interest of the Association or the particular Village to do so.

1. Origination

Proposals for Village Changes may originate from a Voting Member of that Village or as a result of requests submitted by one or more interested Owners. In general, it is preferable that Owner requests be initially directed to their Voting Member(s), but they may also be received by the Community Manager or by a Member or Members of the Board. In the

latter cases, the matter will normally be referred to the Voting Members(s) for review and consideration before any further action is taken.

2. Major Changes

Major changes involve a policy or long-standing rule or custom that will affect all homeowners in a Village and/or an improvement which would either change the nature of the Village or cause additional expenditures which may increase Village Assessments for that Village. The following guidelines will apply.

a. The Board will generally request that the Voting Members, in consultation with any committee or group of interested Owners, draft a set of concrete proposals for consideration. The Board will then review the proposals and determine if they are in compliance with the General Rules set forth in the preceding section of this Policy and if there are objections from the Board about proceeding. If the draft proposals are approved by the Board conditioned on Village Owner approval and there is no evidence of serious disagreement as to the content of the proposals from the Village, then the Board will authorize the Community Manager to schedule a vote on the issue, which can be electronic and/or with paper ballots, as long as all Village Owners are notified. Only one Owner per Unit can vote. The standard for approval is that a majority of the Owners must vote in favor of the proposal. The specific procedures for conducting the vote will be determined by the Community Manager. If the requisite number of Owners approves the proposal, the results will be regarded as final and binding on all residents of the Village. The Community Manager will notify all Village Owners of the results. This Village vote procedure applies only to proposals considered under this policy and does not supersede any provisions of the Supplemental Declarations, Supplemental Guidelines, or other governing documents of the Association.

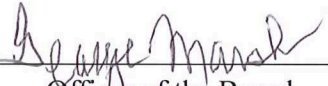
b. If there is a disagreement between the Voting Members and any interested Owner or group of Owners as to the need to adopt certain rules and regulations, to change the care of Common Areas, or as to the specific content of the provisions to be voted on, the disaffected Owner(s) may, upon presentation of a petition signed by at least 20% of the Owners in the Village indicating their support for a specific set of alternate proposals, request that a special election be held. In that event, the Voting Members will be given the further opportunity to clarify the detailed proposals to be voted on, and every effort will be made, through negotiation, informal mediation or other means, to achieve consensus among the parties. The Board will only authorize a vote on the issue without such a consensus if the Board believes it has exhausted reasonable efforts to reach a consensus. The proposal will be presented to the Board for review, and if the Board approves, will follow the voting process described in 2.a, above, including the need for Board approval before moving forward.

c. Notwithstanding the foregoing, if a vote has taken place within the prior 24 months addressing the same issue as any proposed changes, the Board, upon a finding that the vote was conducted in good order and that the results were unambiguous, will not permit the consideration of alternate proposals or reconsideration of the voting results until at least 24 months has passed. The Board, however, reserves the right to waive this requirement if extenuating circumstances exist.

3. Minor Changes

If the Board determines, in its sole discretion, that a proposed change to a Village is a minor change, the Board, through its Community Manager, will seek the input of the Voting Members and, in some cases, the property-owners who are most likely to be affected by the change. If there are no significant objections raised, and the Board approves the change, the Community Manager will implement the changes without further action.

Adopted by resolution of the Board of Directors on January 21, 2025

Signed by 
Officer of the Board