

HIGH DESERT RESIDENTIAL OWNERS ASSOCIATION, INC.

POLICY RELATED TO THE ADOPTION OF VILLAGE RULES

Authority

This policy is adopted in accordance with Section III C, Paragraphs 3.15 and 3.16, of the HDROA 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 Declaration of Covenants, Conditions and Restrictions (the "CC&R's") of the High Desert Residential Owners Association provide broad powers to the Board of Directors to adopt rules and regulations on behalf of the Association and manage the "Use Guidelines and Restrictions" that govern activities within the Properties. More specifically, 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 exercising its power to adopt rules on behalf of specific Villages, however, 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 elections 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 the adoption of new Village rules or changes in the rules already in place.

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.

General Rules

1. No Village rule may be adopted that seeks to expand, replace, or modify any provision of the Architectural Standards for the Village as set forth in the CC&R's and the Guidelines for Sustainability.
2. No Village rule may be adopted that conflicts with the "Use Guidelines and Restrictions"

provisions of the CC&R's nor with any rule, regulation or policy that applies to the Association as a whole.

3. All Village rules must comply with Section 12.5(a) of the CC&R's which states that "similarly situated Owners and occupants shall be treated similarly."
4. No Village rule may restrict the rights and privileges of Owners or occupants of other Villages in the Association.
5. In non-gated Villages, where all streets are public roadways, any proposals relating to street signage, parking, traffic flow, etc., must be in compliance with applicable state laws and city ordinances and will be subject to final approval by the appropriate governmental authorities.

Guidelines for Consideration

Following are the general guidelines that the Board intends to follow in dealing with requests for new or revised Village rules. By the same token, all parties should understand that the Board remains the final authority on adoption of all such rules for the Association 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

Ideas or suggestions for new or revised Village rules may originate from a consensus of the majority of Voting Members 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. Minor Issues

On most minor issues affecting a Village, such as placement of signage, small adjustments to gate opening/closing hours, changes in entry codes, etc., 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, the Community Manager will implement the changes without further action.

3. Major Issues

On major issues that may have a broader or more significant impact on the Village, such as the adoption of village-wide parking rules, installation of speed bumps, material changes in gate opening/closing hours, etc., 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 in a Village election. If there is no evidence of serious disagreement as to the content of the proposals and they are in compliance with the General Rules set forth in the preceding section of this Policy, the Board will authorize the Community Manager to schedule an election, the results of which will be regarded as final and binding on the residents of the Village.

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 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 mediation or other means, to achieve consensus among the parties. Only as a final resort will the Board authorize an election without such a consensus. In any case, the results of any such election will be regarded as final and binding on the residents of the Village.

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

Adopted by resolution of the Board of Directors on February 14, 2006.

Revised and adopted by the Board of Directors on December 18, 2013

Signed by _____
Officer of the Board