

**LAKE RANCHO VIEJO OWNER'S ASSOCIATION  
SUMMARY/INDEX OF CHANGES FOR  
RESTATED CC&RS AND RESTATED BYLAWS**

***NOTE: This summary outlines the changes that the Board feels are significant. This document should not be solely relied upon when making your decision on how to vote. It is incumbent upon you to review the restatements and compare them to the current governing documents (CC&Rs & Bylaws). Copies of the current governing documents may be requested from the community manager.***

<b>CC&amp;RS</b>			
<b>Article &amp; Section Reference</b>	<b><u>RESTATED CC&amp;Rs</u> Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT CC&amp;Rs</u> Summary of Provision</b>
Restated CC&Rs	References to Declarant and its rights and obligations have been deleted. <i>Since the developer is no longer involved with the project, the Declarant provisions are not necessary.</i>	CC&Rs	Contains references to Declarant, who is no longer involved in the project.
<b>Article 1</b>	<b>Definitions</b>	<b>Article 1</b>	<b>Definitions</b>
Article 1, Sections 1.1 and 1.2	Includes definitions for Annual Budget Report and Annual Policy Statement. <i>These are new terms defined in California law.</i>	Article I	No similar provision.
Article 1, Sections 1.21 and 1.23	Includes definitions for General Delivery/Notice and Individual Delivery/Notice. <i>These are new terms defined in California law.</i>	Article I	No similar provision.
Article 1, Section 1.34	Defines "Voting Power" to exclude Owner's whose voting rights have been suspended.	Article I	No similar provision.
<b>Article 2</b>	<b>Membership and Voting Rights in Association</b>	<b>Bylaws Article 3 &amp; 5</b>	<b>Membership &amp; Voting Rights</b>

<b>Article &amp; Section Reference</b>	<b><u>RESTATED CC&amp;Rs</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT CC&amp;Rs</u></b> <b>Summary of Provision</b>
Article 2, Section 2.2	Sets forth membership and voting rights. There is 1 class of voting membership.	Article 5, Section 5.2	The 2 class voting structure has expired.
Article 2, Section 2.5	If joint Owners are unable to agree on how they will cast their vote, they will lose their	Article 5 Section 5.3.4	If joint Owners cast conflicting votes they cancel each other out. If there are an odd number
<b>Article 3</b>	<b>Property Rights, Easements and Obligations of Owners</b>	<b>Article 5</b>	<b>The Association</b>
Article 3	Sets forth the easement rights of the Owners over the Project, subject to rights and	Article 4	Property rights are set forth in Article 4. Also contains rental restrictions (Article 8 of
Article 3, Section 3.10	Non-use of Common Area does not avoid burdens imposed by Governing Documents.	Article 2	No similar provision.
<b>Article 4</b>	<b>Power and Duties of the Association</b>	<b>Bylaws Article 6</b>	<b>Directors; Management</b>
Article 4	Sets forth powers and duties of the Board.	Bylaws, Article 6	Powers and duties of the Board are in the Bylaws.
Article 4, Section 4.2	Prohibits Director from participating where there is a conflict of interest. <i><b>This is pursuant to current California law.</b></i>	Bylaws, Article 6	No similar provision.
Article 4, Section 4.4(M)	Association has the power to enter contracts	Bylaws, Article 6 Section 6.4	Only 2 Directors needed to enter a contract binding on the Association
Article 4, Section 4.6(D)	Board may convey licenses or grant easements to Owners over Common Area worth up to 5% of the budget without a vote of the Owners.	Bylaws, Article 6	No similar provision
<b>Article 5</b>	<b>Covenant for Maintenance</b>	<b>Article 7</b>	<b>Assessments</b>

<b>Article &amp; Section Reference</b>	<b><u>RESTATED CC&amp;Rs</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT CC&amp;Rs</u></b> <b>Summary of Provision</b>
	<b>Assessments to Association</b>		
Article 5, Section 5.6	Allows for the imposition of Reimbursement Assessments.	Article 7, Section 7.5.5	Refers to reimbursements as Individual special assessments.
Article 5, Section 5.11	References <i>Civil Code</i> Section 5705 et seq. which limits foreclosures to \$1800 or one year, whichever occurs first.	Article 7, Section 7.9.3	References outdated <i>Civil Code</i> Sections with respect to foreclosures.
Article 5, Section 5.13	Allows Association to collect rent from tenants whose Owners are delinquent in Assessments	Article 7	No similar provision.
<b>Article 6</b>	<b>Use Restrictions</b>	<b>Article 2</b>	<b>Use</b>
Article 6, Section 6.1(B)	Allows “in home” business use so long as there is no external evidence of such use.	Article 2, Section 2.1.15	No commercial activity on any Lot
Article 6, Section 6.4	Allows posting of non-commercial signs, flags and banners in accordance with current California law.	Article 2, Section 2.1.6	Allows signs for sale and leasing.
Article 6, Section 6.5	Satellite dishes and antennae that are one meter or less in diameter may be installed without approval from the Architectural Committee. <b><i>This is due to a change in Federal and California law.</i></b>	Article 2, Section 2.1.10	Satellite dishes and antennae prohibited unless within a structure
Article 6, Section 6.17	Prohibits timeshares	None	No similar provision.
Article 6, Section 6.23	References Code of Conduct which may be adopted by the Board for conduct of Owners, their tenants, guests, family	Article 7	No similar provision.

<b>Article &amp; Section Reference</b>	<b><u>RESTATED CC&amp;Rs</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT CC&amp;Rs</u></b> <b>Summary of Provision</b>
	members, invitees, etc.		
<b>Article 7</b>	<b>Architectural Control</b>	<b>Article 6</b>	<b>Architectural Control</b>
Article 7	Architectural Control article is more expansive and contains more provisions. All exterior changes must first be approved.	Article 6	Not as detailed. Installation of landscaping that will not grow above 6 feet does not need to be approved.
Article 7, Section 7.3(D)	Architectural Committee has 45 days to approve proposed modifications.	Article 6 Section 6.2.2	Architectural Committee has 30 days to provide approval.
Article 7, Section 7.3(F)	Owners must consult with City staff to see if proposed modifications will meet requirements.	Article 6	No similar provision.
Article 7, Section 7.4	Certain exterior modifications will not need prior AC approval.	Article 6	Not as detailed
Article 7, Section 7.7	Allows Board to grant variances for proposed architectural improvements so long as they are not detrimental to the Development.	Article 6	No similar provision.
Article 7, Section 7.10	Allows owners to appeal to the Board for denials of ARC applications.	Article 6	Does not address appeals to the Board
Article 7, Section 7.11	Prohibits individual Architectural Committee member from approving application.	Article 6	No similar provision.
<b>Article 8</b>	<b>Leasing of Lots</b>	<b>Article 2, Section 2.1.13</b>	
Article 8	Separate Article for Leasing and contains more provisions	Article 2, Section	Sets forth leasing restrictions - not as detailed regarding

<b>Article &amp; Section Reference</b>	<b><u>RESTATED CC&amp;Rs</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT CC&amp;Rs</u></b> <b>Summary of Provision</b>
	regarding Owners' obligations	2.1.13	Owners' obligations.
Article 8, Section 8.2(G)	Allows Association to enforce violations of the documents by tenants directly against tenants, if Owner is not responding.	Article 2, Section 2.1.13	Violations of the Governing documents are lease violations
<b>Article 9</b>	<b>Maintenance Responsibilities</b>		<b>Maintenance</b>
Article 9	Separate Article for both Association and Owner's maintenance obligations		No similar provision.
Article 9, Section 9.1	Contains a Maintenance Matrix listing maintenance responsibilities of Owners and Association.		No Maintenance Matrix.
Article 9, Section 9.4(G)	Disputes regarding Party Walls are to be submitted to third party arbitrator.		No similar provision.
Article 9, Section 9.9	Owners have obligation to notify Association of any condition within the Common Area that may constitute a risk to the health, safety or welfare.		No similar provision.
<b>Article 10</b>	<b>Insurance</b>	<b>Article 8</b>	<b>Destruction; Insurance</b>
Article 10, Section 10.1(C)	Association is required to purchase fidelity bond.	Article 8	Association and management are both required to purchase fidelity bond.
Article 10, Section 10.1(D)	Association must purchase Directors' and Officers' ("D&O") insurance	Article 8	Does not address D&O insurance.
Article 10, Section 10.3	Owners are required to carry insurance	Article 8, Section 8.1.1	Owners required to carry insurance with specific deductible amounts
Article 10,	Owners may not make claims	Article 8	No similar provision.

<b>Article &amp; Section Reference</b>	<b><u>RESTATED CC&amp;Rs</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT CC&amp;Rs</u></b> <b>Summary of Provision</b>
Section 10.4	directly to Association's master policies.		
Article 10, Section 10.5	Delineates payment of Association deductible	Article 8	No similar provision.
Article 10, Section 10.6	Board can revise insurance coverage.	Article 8	No similar provision.
<b>Article 11</b>	<b>Destruction of Common Area Improvements</b>	<b>Article 8</b>	<b>Destruction; Insurance</b>
Article 11, Section 11.1	If insurance covers at least 90% of cost to repair damaged improvement, must repair improvement unless 75% of Voting Power determine that such repair not take place.	Article 8, Section 8.4	Association must rebuild and levy a Special Assessment for any cost not covered by insurance
Article 11, Section 11.2	If insurance covers less than 90% of cost to repair damaged improvement, may repair if Owners representing a majority of Voting Power so elect at a meeting.	Article 8, Section 8.4	Association must rebuild and levy a Special Assessment for any cost not covered by insurance
<b>Article 12</b>	<b>Destruction of Lot Improvements</b>	<b>None</b>	<b>None</b>
Article 12	Addresses re-building of Residence and Improvements on a Lot after damage and destruction.	None	No similar provision.
<b>Article 13</b>	<b>Condemnation</b>	<b>Article 9</b>	<b>Condemnation</b>
Article 13, Section 13.1	Addresses condemnation of a Lot	None	No similar provision.

<b>Article &amp; Section Reference</b>	<b><u>RESTATED CC&amp;Rs</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT CC&amp;Rs</u></b> <b>Summary of Provision</b>
Article 13, Section 13.1	Apportions award for condemnation of Common Area to Owners	Article 9, Section 9.3	Apportions award for condemnation of Common Area to Developer and Contractor before Owners
<b>Article 14</b>	<b>Protection of Mortgagees</b>	<b>Article 12</b>	<b>Rights of Mortgagees; Eligible Mortgagees, Eligible Insurers and Eligible Guarantors</b>
<b>Article 15</b>	<b>Enforcement</b>	<b>Article 11</b>	<b>Scope; Termination; Enforcement</b>
Article 15	Enforcement article includes remedies, due process requirements and Internal Dispute Resolution and Alternative Dispute Resolution provisions. <i><b>This is common practice and per CA law.</b></i>	Article 11, Section 11.3	Contains general right to enforce violations of CC&Rs. Not as detailed.
<b>Article 16</b>	<b>Amendments</b>	<b>Article 14</b>	<b>Amendment</b>
Article 16, Section 16.1	Majority of Voting Power is required to amend CC&Rs	Article 14, Section 14.1	Owners of 75% of all units within the development and approval of 67% of first mortgagees is required to amend CC&Rs.
<u>Article 16, Section 16.2</u>	<u>Board can amend CC&amp;Rs without a vote of the membership as long as the amendment is only to correct spelling or grammar mistakes or where a change in the law requires revision over which there is no discretion as to the substantive effect of the change.</u>		<u>No similar provision.</u>
<b>Article 17</b>	<b>General Provisions</b>		<b>No Similar Provision</b>
Article 17, Sections	Addresses different methods of providing documents and		No similar provision.

<b>Article &amp; Section Reference</b>	<b><u>RESTATED CC&amp;Rs</u>  Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT CC&amp;Rs</u>  Summary of Provision</b>
17.1 and 17.2	information to Owners. <i><b>This is in accordance with current California law.</b></i>		
Article 17, Section 17.3	Addresses how Owners are required to deliver documents to Association. <i><b>This is in accordance with current California law.</b></i>		No similar provision.
None	None	Article 15	Annexation
<u>None</u>	<u>According to Association records, the lake was never turned over to the Association by the Developer as originally intended.</u>	<u>Article 16</u>	<u>The Lake-outlines Association's responsibility for management and care of the lake</u>



## Bylaws

<b>Article &amp; Section Reference</b>	<b><u>RESTATED BYLAWS</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT BYLAWS</u></b> <b>Summary of Provision</b>
Restated Bylaws	References to Declarant and its rights and obligations have been deleted. <i>Since the developer is no longer involved with the project, the Declarant provisions are not necessary.</i>	Bylaws	Contains references to Declarant, who is no longer involved in the project.
<b>Article 1</b>	<b>Name and Location</b>	<b>Article 2</b>	<b>Functions of the Association</b>
<b>Article 2</b>	<b>Definitions</b>	<b>Article I</b>	<b>Definitions</b>
Article 2, Section 2.3	Adds a definition for “Good Standing”	Article I	No similar provision
<b>Article 3</b>	<b>Membership</b>	<b>Article 3</b>	<b>Membership</b>
Article 3, Section 3.4	Multiple ownership of Lot gives rise to single membership with single vote	Article 3	Joint Owners share a single membership.
<b>Article 4</b>	<b>Membership Voting</b>	<b>Article 5</b>	<b>Voting Rights</b>
Article 4, Section 4.1	Provides for only one (1) class of voting membership, since all classes of voting Membership have converted to Class A Membership per the requirements under the Declaration.	Article 5, Section 5.2	Provides for multiple classes of voting.
Article 4, Section 4.2	Members are entitled to one vote on each matter. Each vacant Director position is a single “matter.”	Article 5, Section 5.3	Less detailed

<b>Article &amp; Section Reference</b>	<b><u>RESTATED BYLAWS</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT BYLAWS</u></b> <b>Summary of Provision</b>
<del>Article 4, Section 4.3</del>	<del>Only Members in “Good Standing” may vote.</del>	<del>Article 5</del>	<del>No similar provision</del>
Article 4, Section 4.4	Elections must be conducted by secret ballot.	Article 4	Voting may be by written ballot.
Article 4, Section 4.5	Allows Board to determine whether proxies will be used at any election. <i>Due to the secret ballot election requirements, use of proxies is not as common due and may not be desirable. However, the proxy language is included in the event the Board determines to use proxies.</i>	Article 5, Section 5.4	Does not allow Board to determine if proxies will be used.
<del>Article 4, Section 4.5</del>	<del>Cumulative Voting is not allowed</del>	<del>Article 5, Section 5.3.2</del>	<del>Allows cumulative voting</del>
<b>Article 5</b>	<b>Meetings of Members</b>	<b>Article 4</b>	<b>Meeting of Members</b>
Article 5, Section 5.2	Annual membership meeting shall be held on a date and time as determined by the Board.	Article 4, Section 4.2	Annual membership meeting must be held on the same day of the same month of each year as the first annual meeting
Article 5, Section 5.4	Notice of membership meetings must be given at least 10 days and not more than 90 days before the meeting. <i>This is in accordance with current California law.</i>	Article 4, Section 4.3.1	Cites outdated law
Article 5,	Quorum for annual membership	Article 4,	Quorum for all membership

<b>Article &amp; Section Reference</b>	<b><u>RESTATED BYLAWS</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT BYLAWS</u></b> <b>Summary of Provision</b>
Section 5.5	meetings is 1/3 of Voting Power and can reduce to 25% if quorum is not met. Quorum for other membership meetings is majority of Voting Power.	Section 4.7	meetings is 25% of the votes
<b>Article 6</b>	<b>Board of Directors</b>	<b>Article 6</b>	<b>Directors; Management</b>
Article 6	Does not contain powers and duties of the Board - they are set forth in the CC&Rs	Article 6	Has powers and duties of the Board
Article 6, Section 6.1	Directors must be in Good Standing <u>and meet other qualifications. <i>This is in accordance with recent changes in California law.</i></u>	Article 6	No requirement that Directors be in Good Standing <u>or other qualifications.</u>
Article 6, Section 6.3	Nominations <i>may</i> be made by a Nominating Committee.	Article 6, Section 6.9	Nominations <i>shall</i> be made by a Nominating Committee.
Article 6, Section 6.5	A vacancy on the Board can be due to excessive absences from Board meetings failure to be in Good Standing, no longer meeting any of the qualifications of a Director or egregious behavior.	Article 6, Section 6.12	Does not address vacancies due to lack of Good Standing and places time limit on failure to meet any of the qualifications.
Article 6, Section 6.6	Removal of Directors requires approval of a majority of a quorum of the Members. <i>This is in accordance with current California law.</i>	Article 6, Section 6.13	Removal of Directors is by vote of majority of members.
<b>Article 7</b>	<b>Board Meetings</b>	<b>Article 6</b>	<b>Directors; Management</b>
Article 7, Section 7.6	Except for emergency meetings, notice of open Board meetings shall be given at least	Article 6, Section 6.16.1	Not as detailed

<b>Article &amp; Section Reference</b>	<b><u>RESTATED BYLAWS</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT BYLAWS</u></b> <b>Summary of Provision</b>
Article 7, Section 7.12	Only emergency action can be taken without a Board meeting, if all Board members consent in	Article 6, Section 6.21	Any action that can be taken by the Board can be taken without a meeting by
<b>Article 8</b>	<b>Officers</b>	<b>Article 7</b>	<b>Officers</b>
<b>Article 9</b>	<b>Committees</b>	<b>Article 8</b>	<b>Committees</b>
<b>Article 10</b>	<b>Association Records and Documents</b>	<b>Article 9</b>	<b>Association Records and Reports; Inspection</b>
Article 10, Section 10.3(A)	Annual Budget Report must be prepared within <b>30 to 90</b> days before the end of the fiscal year and must include: budget, summary of reserves, statements regarding reserves and funding of reserves, statement regarding outstanding loans, and summary of insurance policies. <b><i>This is required by current California law.</i></b>	Article 9, Section 9.8	Budget must be distributed not less than <b>120</b> days after the end of the fiscal year.
Article 10, Section 10.3(B)	The Assessment and reserve funding disclosure summary must prepared annually. <b><i>This is required by current California law.</i></b>	Article 9, Section 9.6	Proposed budget transmitted to the members not less than <b>45</b> and not more than <b>60</b> days before the beginning of fiscal year.
Article 10, Section 10.3(D)	An Annual Policy Statement shall be prepared within <b>30 to 90</b> days before the end of the fiscal year and shall include designation of person to receive documents from Members, statement regarding secondary addresses for Members, location where General Notices will be posted, assessment collection policy, fine schedule and enforcement policy,	Article 9, Section 9.9	Statement of Policies must be mailed within 60 days before the end of the fiscal year

<b>Article &amp; Section Reference</b>	<b><u>RESTATED BYLAWS</u></b> <b>Summary of Provision</b>	<b>Article &amp; Section Reference</b>	<b><u>CURRENT BYLAWS</u></b> <b>Summary of Provision</b>
	summary of dispute resolution proceedings, etc. <i>This is required by current California law.</i>		
Article 10, Section 10.4	Delivery of the Annual Budget Report and Annual Policy Statement, or summary of those documents must be sent to the Members by Individual Delivery within <b>30</b> to <b>90</b> days before the end of the fiscal year. <i>This is required by current California law.</i>	Article 9	Not as detailed
<b>Article 11</b>	<b>Indemnification</b>	<b>None</b>	<b>None</b>
<b>Article 12</b>	<b>Amendments</b>	<b>Article 11</b>	<b>Amendments to Bylaws</b>
<b>Article 13</b>	<b>General Provisions</b>	<b>None</b>	<b>None</b>
None	Amendment of Articles is in Articles of Incorporation	Article <del>12XI</del>	Amendments to Articles

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