

**PROPOSED AMENDMENTS TO THE
SECOND AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
HUNTERS RIDGE**

1. Article VII, 7.10 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Hunters Ridge shall be amended by creating Sections 7.10.1 through 7.10.10 as follows:

Note: New language is underlined.

7.10 All property rentals are subject to such Rules and Regulations as adopted by the Association's Board. Authority is also given to the Association's Board to approve or disapprove prospective leases prior to the effective date of the lease. The Association's Board may charge a reasonable fee for this rental application process.

7.10.1 Application to Lease Form. All leases of a single family home, villa or condominium unit must be in writing. Members who lease their single family home, villa or condominium unit must have the tenant complete an Application to Lease Form. The Application to Lease Form may be picked up at the Administrative Office or online at HuntersRidge-CA.com and returned to the Administrative Office at least ten (10) days before the proposed occupancy date. A copy of the proposed lease must also be submitted.

7.10.2 Subleasing or Assignment. No subleasing or assignment of lease rights by the lessee is allowed. A single family home, villa or condominium unit owner may lease only his entire house, villa or condominium unit.

7.10.3 Fees and Deposits Related to the Lease. Hunters Ridge may charge a preset fee for processing the Application to Lease, such fee not to exceed the maximum amount allowed by law, currently \$100.00.

7.10.4 Board Action. The Board of Directors may require additional information in order to approve the application with any lessee and spouse, if any. The lessee must be a natural person and not a business entity or trust. After the required notice and all information requested have been provided, the Board of Directors shall have ten (10) days in which to approve or disapprove the proposed lease. If the Board of Directors neither approves nor disapproves within that time, its failure to act shall be deemed the equivalent of approval, and on demand the Board of Directors shall issue a written letter of approval to the lessee.

7.10.5 Disapproval. A proposed lease shall be disapproved only if a majority of the whole Board of Directors so votes at a duly called meeting, and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:

- (a) The single family home, villa or condominium unit owner is delinquent in the payment of assessments at the time the application is considered;
- (b) The single family home, villa or condominium unit owner has a history of leasing his house, villa or condominium unit without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his house, villa or condominium unit;
- (c) The real estate company or rental agent handling the leasing transaction on behalf of the single family home, villa or condominium unit owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior approval;
- (d) The application on its face indicates that the person seeking approval intends to conduct himself in a manner inconsistent with the covenants, restrictions and rules applicable to Hunters Ridge;
- (e) The prospective lessee has been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
- (f) The prospective lessee has a history of conduct which evidences disregard for the rights and property of others;
- (g) The prospective lessee evidences a strong probability of financial irresponsibility;
- (h) The lessee, during previous occupancy of a single family home, villa or condominium unit in Hunters Ridge or elsewhere, has evidenced an attitude of disregard for the rules;
- (i) The prospective lessee gives false or incomplete information to the Board of Directors as part of the application procedure, or the required fee is not paid; or
- (j) A lessee moving into a single family home, villa or condominium unit prior to the Application to Lease Form either being submitted or approved shall result in a lease not being approved.

7.10.6 Failure to Obtain Approval; Eviction and Fine. Any lease entered into without approval shall be treated as a nullity, and the Board of Directors shall have the power to evict the lessee with seven (7) days' notice, without securing consent to such eviction from the single family home, villa or condominium unit owner. The owner of the subject property may be fined to the maximum extent of the law.

7.10.7 Applications; Assessments. Applications for authority to lease shall be made to the Board of Directors on such forms and include such terms as the Board of Directors may provide from time to time. The legal responsibility for paying assessments may not be delegated to the lessee and remain the responsibility of the single family home, villa or condominium unit owner.

7.10.8 The Application to Lease Form and any information obtained as part of the background check is not accessible to owners or other persons except the members of the Board of Directors, the Association's legal counsel and Management. The Board of Directors, General Manager and/or Staff of HRCA are not to discuss any information regarding the Application to Lease or the background information obtained except with each other and the Association's legal counsel and when required to do so by law .

7.10.9 Occupancy During Lease Term. No one but the lessee, his family members including, but not limited to, children, stepchildren, grandchildren, great-grandchildren, parents, grandparents, sisters and brothers and their spouses and guests may occupy the single family home, villa or condominium unit. The total number of overnight occupants of a leased single family home, villa or condominium unit is limited to two (2) persons per bedroom. All overnight guests must be registered prior to occupancy.

7.10.10 Screening by Owner. Any owner planning on leasing a single family home, villa or condominium unit shall be diligent in their choice of tenant and shall use their best efforts to verify the credibility of the tenant. Owner shall be responsible for the actions and omissions of the tenant during the lease term regarding compliance with the Master Declaration and rules and regulations for Hunters Ridge.

7.10.11 Regulation by Association. All of the provisions of the governing documents and the rules and regulations of Hunters Ridge shall be applicable and enforceable against any person occupying a single family home, villa or condominium unit as a lessee or guest to the same extent as against the owner. A covenant on the part of each occupant to abide by the rules and regulations of Hunters Ridge and the provisions of the governing documents, designating Hunters Ridge as the owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written, and whether specifically expressed in such agreement or not.

2. A new Article 7.23 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Hunter Ridge shall be created as follows:

Note: New language is underlined.

7.23 The member must notify the Association's Administrative Office, or the Security Guard House, of any guests (whether related or unrelated to the member) prior to the guest being given access to the Hunters Ridge community.

3. A new Article 7.24 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Hunter Ridge shall be created as follows:

Note: New language is underlined.

7.24 Whenever a residential property in Hunters Ridge is occupied by a guest and the owner is not present the following requirements must be followed:

1. Guests related to owner:

Family members such as children, stepchildren, grandchildren, great-grandchildren, parents, grandparents, sisters and brothers and their spouses and their guests staying more than fifteen (15) nights must register with the Association and complete an Application for Approval form provided by the Association prior to being given access to the Hunters Ridge community. No fee will be charged by the Association for the application.

2. Guests not related to owner:

Guests not related to the owner must register with the Association and if staying more than fifteen (15) nights complete an Application for Approval form provided by the Association and pay a fee in an amount determined by law or the Board of Directors which is currently \$100.00.

4. A new Article 7.25 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Hunter Ridge shall be created as follows:

Note: New language is underlined.

7.25 No lease shall be longer than one (1) year which may be renewed for an additional year without any fee being charged. After the second year, the Board of Directors may charge a fee for renewal of the lease and approval, if allowed by law.

5. A new Article 7.26 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Hunter Ridge shall be created as follows:

Note: New language is underlined.

7.26 No property shall be leased more than five (5) times in a calendar year.

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