COPPER COVE ASSOCIATION 920 Black Creek Drive Copperopolis, CA 95228

May 2019

Members of the Copper Cove Association

Re: Summary of Changes to the Proposed Restated Governing Documents

Dear Member of the Association:

The Association's Board of Directors has invested considerable time and effort into preparing a revised and restated set of Governing Documents for the Copper Cove Association. This effort has been focused on updating the Association's current Governing Documents to meet the several years of sweeping changes in the California laws affecting community associations since they were last drafted.

A. Townhall Meeting to Discuss and Review Proposed Governing Documents

In an effort to be transparent and provide each Member an opportunity to review and ask questions about the proposed Restated Governing Documents, the Board will be hosting a Townhall Meeting on June 6, 2019, at 6:00 PM at 920 Black Creek Drive, Copperopolis, California. We encourage all Members to take advantage of these meetings to better understand the Restated Governing Documents to allow Members to be as informed as possible prior to casting their vote on whether to approve the Restated Governing Documents. The documents being proposed are as follows and are available on the Association's website and owner portal as well as at the Black Creek Office. Copies will also be mailed to any owner upon request.

- (A) First Restated Declaration of Covenants, Conditions & Restrictions of Copper Cove.
- (B) First Restated Bylaws of Copper Cove Association.

(Collectively, the "Restated Governing Documents.")

Please keep in mind that you are being asked to cast a single vote—"yes" or "no"—for the adoption of the Restated Governing Documents. A single vote is necessary to avoid inconsistent and contradictory language should one of the documents be approved and the others rejected.

These documents incorporate the changes mandated by current California law and include provisions that, when approved, will bring our Association up to the standards applicable to California community associations today. The following is intended to provide a general overview of the proposed Restated Governing Documents; it is not intended to replace your review of the proposed Restated Governing Documents. Accordingly, the following is a summary of certain significant provisions contained within the proposed Restated Governing Documents:

B. Proposed Restated Declaration of CC&Rs

The declaration of restrictions describes the real property subject to the Association's Governing Documents. It defines the interests and rights of the Association and Owners with respect to the property. Further, the declaration of restrictions addresses assessment structure, use restrictions, maintenance, architectural review procedures, and compliance issues.

The following is a summary of some of the changes in the proposed *First Restated Declaration of Covenants, Conditions and Restrictions of Copper Cove* (the "Restated CC&Rs"):

- (1) <u>Definitions</u>. The "definitions" portion of the Restated CC&Rs has been clarified to make the interpretation and implementation of the document easier for Members.
- (2) <u>Use Restrictions</u>. The property use regulations found in the current CC&Rs have been consolidated and clarified in Article 4 of the Restated CC&Rs. The provisions contained in Article 4 have been carefully drafted to suit the unique character and needs of the community and have been simplified. Careful attention has been devoted to ensuring that the provisions allow each Owner the reasonable, fair use of their home, while protecting the appearance, property values, and quality of life within the community. These proposed use restrictions include restrictions on parking, restrictions on leaving personal property in the common area, and similar activities.
- (3) <u>Assessments</u>. The assessment provisions in Article 6 have been updated to conform to the Davis-Stirling Common Interest Development Act and to clarify the procedures that the Association will use with regard to assessments.
- (4) <u>Maintenance</u>. The provisions addressing maintenance responsibilities are now located in Article 8 of the proposed Restated CC&Rs. The obligations of both the Association and the Owners for maintenance, repair, and replacement of the many elements which make up the community have been clearly specified in order to avoid confusion.
- (5) <u>Architectural Review and Use Restrictions</u>. The provisions on architectural review in Article 9 have been revised and clarified to reflect changes made in California law regarding the procedure for architectural review.
- (6) Rental Restriction. Included in these changes is a limitation on rentals (Section 4.14) in an effort to allow each owner the reasonable, fair use of their home, while protecting the appearance, property values, and quality of life within the community. All leases must be in writing for one (1) year duration. Other than use by family and friends, Lots cannot be formally leased on a temporary, short-term basis for hotel-like purposes, such as listing a Lot on commercial services like VRBO and Airbnb.

C. Proposed Restated Bylaws

The Association's Bylaws contain rules which govern corporate matters, such as membership meetings, elections of directors, and books and record keeping requirements. A corporation's bylaws contain the rules which govern organizational and "corporate" matters, as distinguished from the

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CC&Rs, which address real property rights, interests, obligations, and related matters. Most often, changes in the Bylaws are a direct result of changes made by the California legislature.

The following is a summary of numerous noteworthy changes in the proposed *First Restated Bylaws of Copper Cove Association* (the "Restated Bylaws"):

- (1) <u>Election Procedures</u>. The Restated Bylaws incorporate provisions from California Civil Code section 5100. This law mandates the Association adopt rules, provide a mechanism in which a member may nominate themselves for election to the Board, and utilize a method of secret ballot voting for certain types of Membership votes.
- (2) <u>Budget Preparation and Annual Disclosures</u>. Information regarding budgets and financial documents is now in Article 10 of the proposed Restated Bylaws. The revised budget preparation and distribution process conforms to California law. Furthermore, requirements that specify when the Association must provide annual disclosures to Members, such as notification of collection policies, are clearly detailed in the Restated Bylaws.
- Qualifications for Voting. Only "Members in Good Standing" will be entitled to vote on those matters requiring Membership approval. A Member in good standing means a Member who is current in the payment of all dues, assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents.
- (4) <u>Duties of the Board</u>. The obligations and duties of the Board of Directors has been updated to reflect the requirements of California law and to ensure that Member rights are understood.

D. Why Update to Conform to California law

The law supersedes the CC&Rs and Bylaws whenever there is a conflict. However, there are two (2) important reasons why it is still important to update the CC&Rs and Bylaws to conform to the law. First, the Members and the Board rely on the CC&Rs and Bylaws when deciding what they can and cannot do, or must do. Members typically do not think they would then need to cross-reference something in the CC&Rs and Bylaws with California law to determine if it is consistent, still applicable, and/or has been overridden. In that regard, it is better to have a single source of reliable information unique to Copper Cove, yet still in conformance with California law, as opposed to having to go to two (2) sources (the documents and relevant laws), and then cross-reference and interpret them to find the answer.

The Board appreciates your cooperation by your participation in this important vote.

Very truly yours,

Copper Cove AssociationBoard of Directors