

4. If the CC&Rs are extended, the community will remain much like it is now: services will continue, architectural standards will still apply, rules can be enforced, common areas will be maintained, and community standards can be enforced;
5. If the CC&Rs are not extended, the Association will lose its ability to collect assessments and therefore will ultimately lose the ability to function;
6. Without the enforcement powers granted by the CC&Rs, the community will become like any other community without CC&Rs - there will be no control over the colors houses can be painted, no maintenance standards, no ability to limit loud parties, no Security Patrol, no parking controls, or any other types of control other than what can be provided by the Sheriff's Department;
7. If the CC&Rs are not extended, it will also be necessary to dissolve the corporation that is the Association.
8. In order to dissolve the Association, the Association must first pay all debts of the corporation and it must divest itself of all assets, including, but not limited to, all 78 common area lots. Whether there is a buyer for these lots is unknown but is problematic;
9. If the Association owns ANY lot or easement or in any way retains any obligation to maintain, control or manage anything, it cannot dissolve unless 100% of all members agree. This is not realistic.
10. Once all lots are divested and all debts paid and all assets sold, if there is any money left, it must be distributed to another non-profit organization - it cannot go to the members.
11. Property values would likely be affected if the CC&Rs are not extended. How much cannot be determined and would likely depend on the overall physical appearance of the community.
12. When the common area lots are sold/transferred, it is unlikely they would remain as they are. They would be subject to development of whatever kind was approved by the County. The use of the lake could be restricted or eliminated. Fees could be charged for use of existing facilities.
13. The dissolution of the Association could be deemed as affecting the security of a lender issuing a deed of trust on a property. This might result in a lender taking steps contrary to the interest of its borrower.
14. During the time the corporation was being dissolved, if insurance was not maintained because of a lack of funds, the owners might be at risk of individual

liability when they currently enjoy certain statutory immunities for injuries or other torts on the common areas.

B. Open Forum for Question and Time Period

4. Adjourn

The Board of Directors met in Executive Session at 5:30 for discussion of the Tamarisk Market Place Engineering Study with Todd Miller from Madole and Associates.