

GRASSY RUN HOMEOWNERS' ASSOCIATION

RESOLUTION 19-01

ADOPTION OF ARTICLE VIII OF DECLARATION OF COVENANTS AND RESTRICTIONS

WHEREAS, concerns have been raised concerning the future governance of the Grassy Run Homeowners' Association (GRHA) by reason of the possible acquisition by sovereign governmental entities, or their members, officers, agents, employees or other persons acting for or in concert with them, of parcels located within Grassy Run;

AND WHEREAS, by reason of legal doctrines of sovereign immunity, any such acquisitions might or could have the effect of rendering GRHA and its Board of Directors (Board) unable to enforce GRHA's governing documents against any such potential owners, of impacting the financial base of Grassy Run by rendering GRHA unable to assess and collect GRHA dues and other assessments, and of otherwise adversely impacting GRHA and its members and residents;

AND WHEREAS, pursuant to Sections 1 and 9 of Article VI of GRHA's Declaration of Covenants and Restrictions, a majority of the owners of parcels within Grassy Run have signed a document entitled "Consent to and/or Petition for Amendment to Declaration of Covenants and Restrictions of Grassy Run Homeowners' Association" and have presented that document to the GRHA Board for its consideration and action;

AND WHEREAS, more than thirty (30) days' Notice that the Board would consider taking action on that document and the proposed Amendment described therein at its January 24, 2019 Meeting was mailed to all of the Members of GRHA and Grassy Run parcel owners;

AND WHEREAS, the Board concluded at that Meeting that the financial, legal and regulatory interests of GRHA and its Members, and of the Grassy Run parcel owners, would be best served by the adoption of the proposed Amendment to the GRHA's Declaration of Covenants and Restrictions (C&Rs);

NOW THEREFORE, BE IT RESOLVED that a new Article VIII be, and it is hereby, adopted and added to the C&Rs of the GRHA, said Article VIII to read and provide as follows:

"ARTICLE VIII - RESTRICTIONS ON TRANSFER

Section 1. No owner of, or holder of any security or other interest in, any parcel located within the properties (hereinafter proposed grantor or transferor") may sell, convey, alienate or in any other way transfer title to that parcel, or any easement over, or right of occupancy or any other interest in or with regard to that parcel (hereinafter "transfer"), to any person, individual, entity, organization, political establishment or sovereign nation for whom or which any right of, claim of, or right to claim entitlement to, sovereign immunity of any type or for any purpose with regard to such parcel is or might

be available, or to any person, individual, entity or organization representing or claiming to represent, or acting on behalf of, or in concert with, any such entity, organization, political establishment or sovereign nation (hereinafter, "proposed grantee or transferee"), without the express prior written consent of the Board of Directors ("Board") of the Association.

Section 2. No proposed grantee or transferee may acquire title to, or any easement over or right of occupancy or any other interest (hereinafter "interest") in any parcel located within the properties, without the express prior written consent of the Board, other than by way of formal eminent domain procedures.

Section 3. No proposed grantee or transferee and no person, individual, entity, organization, political or governmental establishment or sovereign nation who or which is not subject to the full and complete application of the Constitutions and laws of, and to the full and complete, total and unrestricted jurisdiction, power and authority of the courts of, the United States of America, and of the State of California, and of the County of El Dorado, under any and all circumstances, and to the full and complete application of the provisions of the governing documents of the Association, may acquire title to, or any other interest in, any parcel located within the properties, without the express prior written consent of the Board.

Section 4. Any transfer of title to or any other interest in any parcel within the properties by any proposed grantor or transferor, and any acquisition of title to or any other interest in any such parcel, by any proposed grantee or transferee, without the express prior written consent of the Board, shall be automatically void ab initio, and shall not create any membership rights or interests in the Association, any rights or privileges of such membership, or any rights to or interests in any such parcel.

Section 5. Notwithstanding the terms and provisions of Sections 1 through 4 hereinabove, the Board may give consent to a proposed transfer of a specific parcel (hereinafter, "subject parcel"), or of any other interest in the subject parcel, located within the properties (hereinafter, "specific proposed transaction"), to a proposed grantee or transferee of the type described or reference in Sections 1 through 4 of this Article VIII, if and only if the proposed grantee or transferee otherwise entitled thereto:

(a) is factually and legally authorized to, and does, expressly waive and abandon, in writing, prior to the execution of any document or documents evidencing or relating or pertaining to any such proposed transaction, any right of, claim of, or right to claim entitlement to, sovereign immunity of any type or for any purpose with regard to said parcel involving or otherwise relating in any way to (i) any interest in the subject parcel, (ii) any Association membership interest, obligation, right or privilege, and (iii) the full and complete regulatory enforcement authority of the Board with regard to any such parcel or interest therein, that might otherwise be available to him, her or it, and further

(b) is factually and legally authorized to, and does, expressly waive and abandon, in writing, prior to the execution of any document or documents

evidencing or relating or pertaining to any such proposed transaction, any objection or potential objection to the application to him, her or it, of the full and complete application of the Constitutions and laws of, and to the full and complete, total and unrestricted jurisdiction, power and authority of the courts of, the United States of America, and of the State of California, and of the County of El Dorado, under any and all circumstances, and to the full and complete application of the provisions of the governing documents of the Association, and further

(c) is factually and legally authorized to, and does, expressly represent, promise and agree, in writing, prior to the execution of any document or documents evidencing or relating or pertaining to any such proposed transaction, that the foregoing waivers and abandonments shall be binding upon the successors in interest of said him, her or it, and that they will constitute covenants running with the land.

Section 6. To implement the provisions of Section 5 of this Article by allowing the Board to consider whether or not to grant consent to any such proposed transaction, separate written notices of any intent by any proposed grantor or transferor and by any proposed grantee or transferee to execute any document, and to enter into any agreement for the transfer of any interest in or of any such parcel, must be given by such proposed grantor or transferor, and separately by such proposed grantee or transferee, at least thirty (30) days prior to the execution of any other documentation evidencing or otherwise referring to any such proposed transaction. The notices shall be signed, separately, by the proposed grantor or transferor and by the proposed grantee or transferee, and shall contain the following information:

(a) a complete and accurate description of the parcel or parcels involved, and of the interest(s) to be transferred and the relevant portions of the parcel(s) involved or affected;

(b) the correct legal names and current addresses of the proposed grantor or transferor, and of the proposed grantee or transferee; and

(c) legally enforceable consent agreements from the proposed grantor or transferor and from the proposed grantee or transferee acknowledging knowledge of the provisions of this Article VIII of the C&Rs, and agreeing that the parcel and/or the interests in the parcel shall be subject to all of the terms and conditions of the C&Rs (including this Article VIII) following the proposed transfer and that the transferee will take no action in violation thereof.

In the absence of strict compliance with this notice requirement, any such proposed transaction shall be null and void ab initio for that reason alone.

The Board shall have thirty (30) calendar days from the date of its receipt of any such notice to object to the proposed transfer as being in violation of the C&Rs, including but not limited to this Article VIII, by sending written notices thereof to the proposed grantor or transferor and to the proposed grantee or transferee at the addresses provided by them. The Board shall not otherwise unreasonably withhold its consent to the proposed transfer. In the event of any such objection, the proposed grantor or transferor shall be prohibited from transferring the parcel, or easement over or other interest

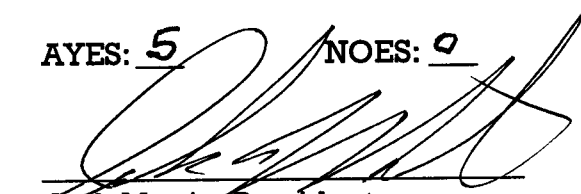
therein, sought to be transferred until such time as a court of competent jurisdiction determines that the proposed transfer does not violate any of the terms of the C&Rs, including but not limited to this Article VIII.


Section 7. The intent and purpose of the terms and provisions of this Article VIII is to preserve the financial, legal and regulatory authority and interests of the Association and of the County of El Dorado, over the parcels which constitute the properties and the persons and/or entities with interests therein. It is not the intent and purpose of the terms and provisions of this Article VIII to cause a waiver, abrogation, release or relinquishment of any rights granted to or held by real property owners under the Constitutions or laws of the United States, the State of California, or the County of El Dorado, nor to cause the subject parcel(s), or easements over or other interests therein, to be treated by the Association differently from any other parcel(s), or easements over or other interests therein, located within the Properties. Accordingly, said terms and provisions are severable. If any term or provision herein, or the application thereof, to any proposed grantor or transferor, or to any proposed grantee or transferee, the deletion of which will not adversely affect the said intent of the Association, may be declared or determined by any court of competent jurisdiction to be illegal, invalid or unenforceable to any extent, the legality, validity and enforceability of the remaining terms and provisions herein shall not be affected thereby, and only the term or provision declared or determined to be illegal, invalid or unenforceable, shall be deemed not to be a part of this Article VIII; provided, however, that if any such term or provision may be modified in a manner would would cause it to become valid and enforceable, then that term or provision shall be deemed to be modified so as to be enforceable to the maximum extent permitted by law.

Section 8. Any action to challenge the terms and provisions of this Article VIII shall be heard either in the United States District Court for the Eastern District of California or in the Superior Court of the State of California for the County of El Dorado. If any such action is filed in the Superior Court, the action may not be removed to the District Court. The trial court, and any appellate court that may hear an appeal in connection with the action, shall have discretion to award attorneys' fees and costs to the prevailing party in the proceedings before it."

ADOPTED BY THE BOARD OF DIRECTORS OF THE GRASSY RUN HOMEOWNERS' ASSOCIATION at a regular meeting of the Board held on the 24th day of January, 2019, by the following vote of the Board:

AYES: 5 NOES: 0 ABSTENTIONS: 0 ABSENTS: 0


Jack Martin, President


Charlene Bosso, Secretary