

**DRAFT**  
**AMENDED AND RESTATED**  
**DECLARATION**  
**OF**  
**COVENANTS, CONDITIONS AND RESTRICTIONS FOR**  
**R-WILD HORSE RANCH**  
**AT**  
**PLATINA, CALIFORNIA**

If this document contains any restrictions based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 1955 or ancestry, that restriction violated state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

AMENDED AND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND  
RESTRICTIONS  
FOR  
R-WILD HORSE RANCH OWNERS' ASSOCIATION

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AMENDED AND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
R-WILD HORSE RANCH OWNERS' ASSOCIATION

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR R-WILD HORSE RANCH OWNERS' ASSOCIATION ("Declaration") is made on the day and year shown below, by R-Wild Horse Ranch Owners' Association, a California non-profit mutual benefit corporation ("Association"), with reference to the following Recitals.

RECITALS

A. The Association is the successor in interest to R-Wild Horse Ranch, which as Declarant, executed that certain Declaration of Covenants, Conditions and Restrictions for R-Wild Horse Ranch, recorded on February 13, 1973, in book 614, in the Official Records of the County Recorder of Tehama County, State of California and its amendment dated May 14, 1985 (referred to in this document as the "1985 Declaration").

B. The 1985 Declaration establishes certain limitations, easements, covenants, restrictions, conditions, liens, and charges which run with, and are binding upon all parties having or acquiring any right, title, or interest in, that certain real property located in the County of Tehama, State of California, and more particularly described as set forth in Exhibit A.

C. The property was developed as a recreational community with open spaces, recreational and other common facilities for the benefit of the Owners thereof. The real property is a "common interest development" as defined in *Civil Code* section 4100. The Association is not an "association" as defined in *Civil Code* section 4080.

D. The MEMBERS, constituting at least a majority of the total voting power (as defined as owners in good standing with all fines and assessments paid-up) of the Members of the Association, desire to amend, modify, and otherwise change the 1985 Declaration pursuant to Section 12 thereof, and DO HEREBY DECLARE that the 1985 Declaration shall be, and it is hereby, AMENDED AND RESTATED IN ITS ENTIRETY as set forth within the Amended and Restated Declaration of Covenants, Conditions and Restrictions R-Wild Horse Ranch Owners' Association.

E. IT IS FURTHER HEREBY DECLARED that all of the real property described in Exhibit A is and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions set forth herein, as may be amended from time to time, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the said real property and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the said real property and any part thereof.

F. IT IS FURTHER HEREBY DECLARED that all of the covenants, conditions, and restrictions set forth herein shall constitute enforceable equitable servitudes, shall constitute covenants that shall run with the said real property, and shall be binding upon and inure to the benefit of each Owner of any portion of the said real property or the Owner or holder of any interest or estate therein and their heirs, successors and assigns.

ARTICLE 1  
DEFINITIONS

**Section 1.1. Articles**

means the Articles of Incorporation of R-Wild Horse Ranch Owners' Association, filed in the office of the Secretary of the State of California on November 25, 1981 as Document No. 1097466, and any duly adopted and filed amendments thereto.

**Section 1.2. Assessments**

means any Regular Assessments, Reimbursement Assessments, and Special Assessments;

1.2.1. "Regular Assessments" means Assessments levied against the Owners and their Share(s) of: (i) the actual and estimated costs of and reserves for maintaining, managing and operating the Common Area; (ii) the costs and fees attributable to managing and administering the Association; and (iii) all other costs and expenses incurred by the Association for the common benefit of the Owners, as may be required or allowed under the Governing Documents.

1.2.2. "Reimbursement Assessments" means Assessments levied against an individual Owner and the Owner's Shares(s) representing: (i) a monetary charge imposed against the Owner as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Area components and/or facilities for which the Owner or any of the Owner's family members, guests and invitees are responsible; (ii) a monetary charge imposed against the Owner as a means of reimbursing the Association for costs incurred by the Association on behalf of and for the benefit of the Owner, whether with the Owner's consent or pursuant to the Association's powers and duties under the Governing Documents, including, without limitation, the performance of maintenance or repairs to the Owner's personal property for which the Owner is responsible; and/or (iii) any other costs incurred by the Association due to the negligence, willful acts or omissions of the Owner or any of the Owners' family members, guests and invitees, including, without limitation, an increase in the insurance premiums of any insurance policy purchased or obtained by the Association for the benefit of the Property and the Owners, and/or any insurance deductible applicable.

1.2.3. "Special Assessments" means Assessments levied against the Owners and their Share(s) to supplement budgeted Regular Assessments in any given year because the amount to be collected from such Regular Assessments for that year will, for any reason, be inadequate to defray the Association's common expenses. Special Assessments shall be levied against the Owners in the same proportionate share as Regular Assessments.

**Section 1.3. Association**

means R-Wild Horse Ranch Owners' Association, a California non-profit mutual benefit corporation, created for the purposes set forth in the Articles, the Bylaws and this Declaration.

**Section 1.4. Board or Board of Directors**

means the governing body of the Association.

**Section 1.5. Bylaws**

means the Amended Bylaws of the Association and any duly adopted amendments.

**Section 1.6. City**

means the City of Platina, closest city to the property location.

**Section 1.7. Common Area**

means the Property and all Improvements thereon.

**Section 1.8. County** means the County of Tehama in the State of California, in which the Property is located.

**Section 1.9. Director**

means a member of the Association's Board of Directors.

**Section 1.10. Governing Documents**

means this Declaration and any other documents, such as the Articles, Bylaws, and Rules and Regulations that govern the operation of the Association.

**Section 1.11. Improvements**

means structural and non-structural improvements that have an impact, visual or otherwise, on the Common Area elements of the Property.

**Section 1.12. Member and Member in Good Standing**

means every person entitled to membership in the Association as provided in the Bylaws.

Member in Good Standing means every member who, at the time a necessary vote or act is asked of the members, is current on all regular, special and reimbursement assessments.

**Section 1.13. Associate Member**

means every person entitled to associate membership in the Association as provided in the Bylaws.

**Section 1.14. Owner**

means the holder or holders of record title to a Share, including the Association, and any contract sellers under recorded contracts of sale. "Owner" shall include the trustee or beneficiary of a trust as designated on a grant deed or designated in a trust document. "Owner" shall not include any persons or entities that hold an interest in a Share merely as security for performance of an obligation.

**Section 1.15. Person**

means a natural individual, a corporation, or any other entity with legal right to hold title to real property.

**Section 1.16. Property**

means shall have that meaning as provided in the Bylaws.

**Section 1.17. Quorum**

means the minimum percentage of the voting power of Members that must be present, in person, or as evidenced by Secret Ballot or Written Ballot at a meeting for legitimate business to be transacted. The quorum at a meeting of Members shall be twenty-five (25%) of the voting power (members who are in good standing) of the association.

**Section 1.18. Declaration**

means this Amended and Restated Declaration of Covenants, Conditions and Restrictions for R-Wild Horse Ranch Owners' Association and any amendments to same.

**Section 1.19. Rules and Regulations**

means any Rules and Regulations for the Association regulating the use and operation of the Property adopted by the Board pursuant to Subsection 3.5.2 herein. The Rules and Regulations may be referred to herein as the "Rules." Some Rules will be considered "operating rules" as defined and more particularly described in Section 3.8 of this Declaration, which are subject to special procedures for adoption before such operating rules become effective.

**Section 1.20. Secret Ballot**

means a ballot used in an Association election which is consistent with, but not subject to California Civil Code Section 5105.

**Section 1.21. Written Ballot**

means a ballot used for all voting matters other than Secret Ballot.

ARTICLE 2  
THE PROPERTY

**Section 2.1. Property Subject to Declaration**

The entire Property shall be subject to this Declaration.

**Section 2.2. Description of Land and Improvements; Ownership of Common Area**

The Property consists of the real property described in Exhibit "A". The entirety of the Property is Common Area and is owned by the Owners of the 2890 Shares, and such Shares are held as undivided interests. Each Owner has a non-exclusive easement of ingress, egress, use, enjoyment and general recreational purposes over, on and upon the Common Area other than portions of the Common Area subject to exclusive easements as determined by the Board of Directors from time to time.

**Section 2.3. Equitable Servitudes**

The covenants and restrictions set forth in this Declaration shall be enforceable equitable servitudes and shall inure to the benefit of and bind all Owners. These servitudes may be enforced by any Owner or by the Association or by both.

**Section 2.4. Prohibition Against Severance of Elements**

Any conveyance, judicial sale, or other transfer of a Share shall include (1) all interests as shown in the original deed of conveyance and (2) the Owner's membership interest in the Association. Any transfer that attempts to sever those component interests shall be void.

**Section 2.5. Use of the Property**

2.5.1. The entire Property shall be used solely for ranching, grazing, hiking, camping, horseback riding, fishing, swimming, sports and other recreational uses authorized by the Association.

2.5.2. No above-ground or underground structure or fixture of any kind or nature and no fences of any kind shall be created, maintained, or permitted upon any portion of the Property, excepting only the perimeter fences, without prior written permission of the Board of Directors of the Association. No Owner, guest, or person whomsoever shall place, store or keep or permit to be placed, stored or kept, upon any portion of the Property, any vehicle, personal property, or any building material or materials of any kind or nature without prior permission of the Board of Directors of the Association.

2.5.3. A non-exclusive and reciprocal right and easement is reserved to the Owners of each and every Share in the Property to use and enjoy each and every portion of the Property for the purpose of hiking, horseback riding, fishing, swimming, sports and other recreational uses authorized by the Association. No Owner of any Share shall hinder or obstruct the use and enjoyment thereof by any other such Owner or his guests for such recreational purposes.

2.5.4. No portion of the Property shall be used in such manner as to obstruct or interfere with the enjoyment of Owners of Shares in the real property, or annoy them by reasonable noises or otherwise, nor shall any nuisance or immoral or illegal activity be committed or permitted to occur on the Property.

2.5.5. The entire Property shall be used solely for the purposes that do not provide for exemption or exceptions from the real property taxation laws of the State of California.

ARTICLE 3  
ASSOCIATION

**Section 3.1. Organization of the Association**

The Association is incorporated as a nonprofit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The Association is created for the purpose of managing the Property and is charged with the duties and granted the powers prescribed by law and set forth in the Governing Documents.



### **Section 3.2. Membership**

Every Owner of a Share shall be a Member of the Association and shall remain a Member thereof until such time as his or her ownership of such Share ceases for any reason. Ownership of a Share is the Sole qualification for Membership. Membership shall be appurtenant to and may not be separated from Ownership of a Share and shall not be transferred, encumbered, pledged, alienated, or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Share to which it is appurtenant.

If legal title or an equitable interest is acquired by any corporation, partnership, or other business or individual entity, then such entity shall be entitled to have a membership in the Association issued to only one individual living person and only that individual's immediate family members shall be entitled to the privileges of Associate membership in the Association.

An interest may pass under the estate of a deceased person to more than one (1) person; provided, that only one (1) individual living person shall be entitled to have membership privileges in the Association derived from such Share, and only the members of that individual's immediate family shall be entitled to the privileges of Associate membership in the Association.

### **Section 3.3. Membership Class: Voting Rights**

Only Members in "good standing" shall be entitled to vote and only one vote shall be cast for each Share, as more particularly set forth in the Bylaws.

### **Section 3.4. Membership Meetings**

Meetings of the Members shall be held according to the provisions of the Bylaws and prevailing state statutes.

### **Section 3.5. General Powers and Authority**

The Association shall have all the powers of a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law, subject to any limitations set forth in the Governing Documents. It may perform all acts that may be necessary for or incidental to the performance of the obligations and duties imposed upon it. Its powers shall include, but not be limited to, the following:

3.5.1. Assessments: The power to establish, fix, levy, collect, and enforce the payment of assessments against the Owners in accordance with the procedures set forth in Article 4, below.

3.5.2. Rules and Regulations: The power to adopt reasonable Rules and Regulations governing the use of the Property, the Common Area, and common facilities and Association owned property. The Rules and Regulations may include, but are not limited to: reasonable restrictions on use of the Common Area by the Owners and their families, guests, employees, and invitees; rules of conduct for persons using and traversing the Common Area; the setting of reasonable administrative fees, procedures and monetary penalties and fines in the event of a violation of any provisions of the Governing Documents. A copy of the current Rules and Regulations, if any, shall be given to each Owner. If any provision of the Rules and Regulations conflicts with any provision of this Declaration, the Articles, or the Bylaws, the Declaration, Articles, or Bylaws shall control to the extent of the inconsistency.

3.5.3. Claims: The right to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the Owners, in matters pertaining to the following:

- (1) Enforcement of the Governing Documents;
- (2) Damage to the Common Area;
- (3) Damage to any components that the Association is obligated to maintain or repair.
- (4) Enforcement of payment of Assessments in accordance with the provisions of Section 4.12, below;

(5) Matters pertaining to the development of real property which, in the reasonable business judgment of the Board, could impair the purposes and intentions of the provisions of the Governing Documents, including interference with the plan established by this Declaration to enhance and preserve the value, desirability, and attractiveness of the Property and the preservation and promotion of the current lifestyle of the Property. Notwithstanding the foregoing, however, before fees and expenses exceeding five percent (5%) of the budgeted gross expenses

of the Association for the fiscal year in which a claim under this subsection will be pursued are actually incurred, the Board shall obtain the requisite approval of the Members to pursue such claim in the same manner that the approval of the Members is obtained under Section 4.9 herein, regarding "Limitations on Assessments"; and

(6) Any other matters in which the Association is a party, including, but not limited to, contract disputes.

3.5.4. Owner Discipline: The right to discipline Owners for violation of any of the provisions of the Governing Documents by (i) suspending or terminating the Member's membership rights, including the Member's voting rights and privileges to use the Common Area and facilities, (ii) imposing monetary fines.

3.5.5 Loans: The power but not the duty to borrow money as may be needed in connection with the discharge by the Association of its powers and duties, and the power but not the duty to cause to be executed and delivered, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities, as applicable, except that any loan in an amount exceeding five percent (5%) of the budgeted gross expenses of the Association in any one fiscal year must be approved beforehand by the vote or written consent of Owners representing a majority of the voting power of the Association unless there is an emergency situation threatening the safety of persons or property, in the event of an emergency, the Association need not obtain such Owner approval.

3.5.6. Sale: Shall, upon the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the Members entitled to vote on this issue, and subject to the following provisions, have the right and power to sell and convey all or any portion of the Property. This power of sale is further subject to the following provisions:

(1) If sixty-six and two-thirds percent (66 2/3%) of the members entitled to vote on this issue shall have voted affirmatively or shall have given their written consent to sell all or any portion of the Property, and the other provisions hereof have been met, then the directors of the Association shall direct the officers of the Association to affect such sale, and to do all acts and execute and deliver the documents necessary, appropriate and convenient in order to do so.

(2) If, by a vote of the members entitled to vote on this issue in the manner and subject to the provisions hereof, the Association shall have determined to sell all or any portion of the Property, then any two (2) officers of the Association shall execute and file for record in the Official Records of Tehama County, indexed as a power of attorney, a certificate stating the terms hereof have been complied with, and that they are thereby authorized and directed to execute and deliver any and all deeds, contracts, documents and instruments necessary, appropriate or convenient to effect the sale of all or a portion of the Property. Recordation of such certificate shall constitute conclusive evidence that any two (2) of the officers of the Association are authorized, directed and empowered to execute and deliver any deed, contract, document or instrument necessary to effect the transfer of title to all or a portion of the Property.

(3) By accepting title to a Share in the Property, the purchaser thereof, for himself and his successors in interest, hereby makes, constitutes and appoints each of the officers of the Association and each of their successors in interest who shall then hold office at the time of execution of the certificate referred to in subparagraph (2) above his true and lawful agent and attorney for and in his name, place and stead, and for his use and benefit, to effect any sale of all or any portion of the Property, and to do all acts and execute and deliver any certificate, deed, contract, document or instrument necessary, appropriate or convenient to effect the transfer of title to all or any portion of the Property, or otherwise to carry out the purposes and intent hereof.

(4) The right and power to sell and convey all or any portion of the Property may be exercised at any time, from and after the date hereof, upon the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the members of the Association.

(5) By accepting title to a Share each Owner and their successors of interest, absolutely waive the right to partition the real property in kind and waive the right to seek partition for the purpose of a sale of the real property, or any portion of it unless the bringing of a suit for partition has been approved by the vote or written agreement of the same percentage of ownership interest in the subdivision as outlined hereinabove under the provisions of this general paragraph, for sale and conveyance of all or any portion of the Property.

3.5.7. Property Acquisition. May acquire by gift, purchase, or otherwise may own, hold, enjoy, operate, maintain, and may convey, sell, transfer, mortgage, or otherwise encumber, dedicate for public use, or otherwise dispose of real or personal property in connection with the business of the Association; provided however, the Association shall not acquire real property by purchase or lease without first obtaining the written consent therefore from sixty-six and two-thirds percent (66 2/3%) of the members eligible to vote.

**Section 3.6. Improvements to the Common Area**

Except as otherwise provided in this Declaration, the Board may cause to be constructed new Improvements or additions to the Common Area or demolish existing Improvements, provided that in the case of any Improvement, addition or demolition involving a total expenditure in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, the written consent or vote of a majority of the Owners of the Property as to the maximum total cost for same shall first be obtained.

**Section 3.7. Duties of the Association**

In addition to the duties of the Association and its agents and employees, as set forth elsewhere in the Governing Documents, the Association shall be responsible for the following:

3.7.1. Maintenance: The Association, acting through the Board, shall operate, maintain, repair and replace components as described in Section 6.3 or contract for the performance of that work subject to the provisions of the Governing Documents.

3.7.2 Goods and Services: The Association shall use the operating fund described in Article 4 herein to, among other things, acquire and pay for goods and services for the Property, including the following:

(1) Water, sewer, refuse, electrical, telephone, natural gas, propane and other necessary utility service for the Common Areas to the extent that utilities are not separately metered or charged.

(2) The insurance policies described in the Declaration;

(3) Employment of a professional manager and such other employees or independent contractors as it deems necessary, prescribe their duties, and enter into contracts and agreements all for the purpose of providing for the performance of the business powers, duties and/or obligations of the Board or any portion of same. Such manager, if any, and all employees shall have the right of ingress and egress over and across such portions of the Property as may be necessary in order for them to perform their obligations, Under any management contract entered into by the Board, the Association shall endeavor to negotiate the following provisions: (1) the contract shall not exceed a one (1) year term; (2) the Association shall have the right to terminate the contract with or without cause upon ninety (90) days advance notice, without being required to pay any cancellation penalty; and (3) the Association shall have the right to terminate the contract for cause on thirty (30) days written notice or less, without being required to pay any cancellation penalty; and

(4) Legal and accounting services necessary or proper in the operation of the Common Area and the Association or the enforcement of the Governing Documents.

(5) To pay taxes and assessments, if any, levied by any governmental authority on the Property owned by the Association and by its members collectively, or on any Association transactions subject to tax in the normal course of business.

(6) To promptly pay all real and personal property taxes before they become delinquent, on behalf of the Owners of the Shares in the Property. Taxes are included in the Association dues.

(7) To receive all notices, claims and demands relative to taxes and assessments affecting the Property; by accepting title to a Share in the Property, each purchaser thereby waives his right to receive such notices, and designates the Association as his exclusive agent for receipt of such notices, claims or demands.

### **Section 3.8. Adoption of Operating Rules**

#### **3.8.1. Definitions**

(1) Some Rules and Regulations are considered “operating rules” and subject to the following procedures for adoption before such operating rules may become effective under law. An “operating rule” means a regulation adopted by the Board of Directors of the Association that applies generally to the management and operation of the Property or the conduct of the business and affairs of the Association.

(2) “Rule Change” means the adoption, amendment, or repeal of an operating rule by the Board of Directors.

#### **3.8.2. Validity of Operating Rules**

An operating rule is valid and enforceable only if all of the following requirements are satisfied:

- (1) The rule is in writing.
- (2) The rule is within the authority of the Association’s Board of Directors conferred by law, the Declaration Articles, or Bylaws.
- (3) The rule is not inconsistent with governing law and the Declaration, Articles, and Bylaws.
- (4) The rule is adopted, amended, or repealed in good faith and in substantial compliance with the requirements of this Section.
- (5) The rule is reasonable.

#### **3.8.3. Applicability**

This Section, particularly, but without limitation, Sections 3.8.4 and 3.8.5 below, shall only apply to an operating rule that relates to one or more of the following subjects;

- (1) Use of the Common Area or of Exclusive Use Common Area.
- (2) Member discipline, including any schedule of monetary penalties for violation of the Governing Documents and any procedure for the imposition of penalties.
- (3) Any standards for delinquent Assessment payment plans.
- (4) Any procedures adopted by the Association for resolution of disputes.
- (5) Procedures for elections.

This Section, particularly, but without limitation, Sections 3.8.4 and 3.8.5 below, shall not apply to the following actions by the Board:

- (1) A decision regarding maintenance of the Common Area.
- (2) A decision on a specific matter that is not intended to apply generally.
- (3) A decision setting the amount of an Assessment.
- (4) A rule change that is required by law, if the Board has no discretion as to the substantive effect of the rule change.
- (5) Issuance of a document that merely repeats existing law or the Governing Documents.

#### **3.8..4 Procedure for Adoption of Rules: Emergency Rules**

(1) The Board of Directors shall provide written notice, as set forth in Section 12.12, of a proposed rule change to the Members at least thirty (30) days before making the rule change. The notice shall include the text of the proposed rule change and a description of the purpose and effect of the proposed rule change. Notice is not required under this subdivision if the Board of Directors determines that an immediate rule change is necessary to address an imminent threat to public health or safety, or imminent risk of substantial economic loss to the Association.

(2) A decision on a proposed rule change shall be made at a meeting of the Board of Directors after consideration of any comments made by Association Members.

(3) As soon as possible after making a rule change, but not more than fifteen (15) days after making the rule change, the Board of Directors shall provide notice of the rule change to every Association Member as set forth in Section 12.12. If the rule change was an emergency rule change made under subdivision (4) below, the notice shall include the text of the rule change, a description of the purpose and effect of the rule change, and the date that the rule change expires.

(4) If the Board determines that an immediate rule change is required to address an

imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, it may make an emergency rule change; no notice for such rule change is required, as specified in subdivision (1) above. An emergency rule change is effective for one hundred twenty (120) days, unless the rule change provides for a shorter effective period. A rule change made under this subdivision may not be readopted under this subdivision.

(5) Notice required by this subsection is incorporated in Section 12.12 of this Declaration.

#### **3.8.5. Procedure for Reversal of Rule Change**

(1) Members owning five percent (5%) or more of the shares may call a special meeting of the Members to reverse a rule change.

(2) A special meeting of the Members may be called by delivering a written request to the President, Vice President, or Secretary of the Association, after which the Board shall deliver notice of the meeting to the Association's Members and hold the meeting in conformity with the *Corporations Code Section 7511(c)*, as incorporated into the Association's Bylaws for special meetings of Members petitioned by Members representing at least five percent (5%) of the total voting power of the Association. The written request may not be delivered more than thirty (30) days after the Members of the Association are notified of the rule change, or on enforcement of the resulting rule, whichever is sooner. For the purpose of the *Corporations Code Section 8330*, which Section governs Member request for Members' names, addresses and voting rights, collection of signatures to call a special meeting under this subsection is a purpose reasonably related to the interests of the Members of the Association. A Member request to copy or inspect the membership list solely for the purpose may not be denied on the grounds that the purpose is not reasonably related to the member's interests as a Member. Notwithstanding the foregoing, if a member advises the Association in writing that they do not want their name(s) and address provided to other Members, then the Association is prohibited from providing that information to other Members.

(3) A rule change may be reversed by the affirmative vote of a majority of a quorum of Members in good standing. In lieu of calling the meeting described in this subsection, the Board may distribute a Ballot to every Member of the Association in conformity with the requirements of *Corporations Code Section 7513* which Section is incorporated in the Bylaws for Member action without a meeting.

(4) A Rule change reversed by vote of the Members in good standing may not be readopted for one (1) year after the date of the meeting reversing the rule change. Nothing in this Section 3.8 shall preclude the Board of Directors from adopting a different rule on the same subject as the rule change that has been reversed.

(5) As soon as possible after the close of the voting on the reversal of the rule change, but not more than fifteen (15) days after the close of the voting, the Board of Directors shall provide notice of the results of the Member vote held pursuant to this Section 3.8.5 to every Association Member. Delivery of notice under this subdivision is as incorporated in Section 12.12 of this Declaration.

(6) This subsection does not apply to an emergency rule change made under Section 3.8.4.

#### **Section 3.9. Board of Directors**

The affairs of the Association shall be managed, and its duties and obligations performed, by an elected Board of Directors, as provided in the Bylaws.

#### **Section 3.10. Inspection of Accounting Books and Records**

The rights of Owners and Directors to obtain and inspect the accounting books and records of the Association shall be in accordance with the Bylaws, and *California Corporations Code Sections 8310 through 8338*.

ARTICLE 4  
ASSESSMENTS AND COLLECTIONS PROCEDURES

**Section 4.1. Covenant to Pay**

Each Owner, by acceptance of the deed to the Owner's Share(s), covenants and agrees to pay to the Association Regular Assessments, Special Assessments and Reimbursement Assessments, and all other charges levied by the Association pursuant to this Declaration. An Assessment and any late charges, reasonable costs of collection, and interest assessed in accordance with the provisions of this Article shall also be a personal debt of the Owner of the Share(s) at the time the Assessment or other sums are levied. The Owner may not waive or otherwise escape liability for these Assessments by nonuse of the Share or abandonment of the Owner's Share. An Owner may pay under protest any disputed charge or sum levied by the Association, including, but not limited to, an Assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

**Section 4.2. Purpose of Assessments**

Except as provided herein, the Association shall levy Assessments sufficient to perform its obligations. The Assessments levied by the Association shall be used exclusively to promote the recreation and welfare of the Owners; for the operation, replacement, improvement, and maintenance of the Property; to preserve and protect the integrity and current lifestyle of the Association; and to discharge any other obligation of the Association under this Declaration. All Assessments collected from the Owners shall be put into general operating and reserve funds.

**Section 4.3. Maintenance Funds of Association**

The Board of Directors shall establish no fewer than two (2) separate accounts (the "Maintenance Funds"), into which shall be deposited all monies paid to the Association, and from which disbursements shall be made, as provided herein, in the performance of functions by the Association under the Governing Documents. The Maintenance Funds may be established as trust accounts at a banking or savings institution. The Maintenance Funds shall include: (1) an operating fund for current common expenses of the Association; (2) an adequate reserve fund for capital improvements, replacements, painting and repairs of the common Area (which cannot normally be expected to occur on an annual or more frequent basis), and for payment of deductible amounts for policies of insurance which the Association obtains, as provided in Article 7 hereof; and (3) any other funds which the Board of Directors may establish to the extent necessary under the provisions of this Declaration. Nothing contained herein shall limit, preclude or impair the establishment of additional Maintenance Funds by the Association, so long as the amounts assessed to, deposited into, and disbursed from any such funds are earmarked for specified purposes authorized by this Declaration or the other Governing Documents of the Association.

**Section 4.4. Reserve for Replacements**

The monthly Regular Assessment and capital contributions provided for above shall include an adequate reserve fund for maintenance, repair and replacement of those portions of the Common Area, and the facilities thereon, which must be replaced on a periodic basis.

**Section 4.5. Regular Assessments**

When preparing its financial documents and annual budget, the Board shall estimate the net charges to be paid during that next fiscal year, including a reasonable provision for contingencies, replacements and reserves, with adjustments made for any expected income and surplus from the prior year's fund. The resulting amount shall constitute the annual Regular Assessment for the budgeted year. If an annual Regular Assessment is not made as required for a new fiscal year, the annual Regular Assessment for the prior fiscal year shall apply and govern each Owner's payments until changed by a new Regular Assessment.

To the extent permitted by law, failure of the Board to estimate the net charges within the time period stated herein shall not void any annual Regular Assessment imposed by the Board. Each Owner is obligated to pay the annual Regular Assessment for their Share(s) to the Association on or before

January 1<sup>st</sup>, or in the alternative equal payments on a semi-annual or quarterly basis, regardless of whether any invoice, statement or notice thereof is provided to the Owner, unless the Board adopts an alternative method for payment. Annual Regular Assessments for fractions of any month shall be prorated on the basis of a thirty (30) day month.

**Section 4.6. Special Assessments**

If the Board determines that the amount to be collected from Regular Assessments will be inadequate to defray the common expenses for the year for any reason, the Board shall levy a Special Assessment for the additional amount needed, subject to the Governing Documents.

**Section 4.7. Reimbursement Assessment**

Whenever the Association (i) performs any service or completes any item of repair or maintenance which is the duty of any Owner to complete, but which has not been completed by such Owner, (ii) preempts the performance of a specific Owner of a given act of maintenance or repair for which the owner is responsible as required by the Governing Documents must be reimbursed by an Owner (including, without limitation, repair of damage to the Common Area caused by an Owner, or an increase in the insurance premiums for any insurance policy purchased or obtained by the Association for the benefit of the Property and the Owners caused by an act of an Owner), the Association shall specifically charge such cost, together with any financing, accounting, legal, administrative and other costs incurred by the Association, to the Owner for whom such work was done, and such additional cost shall be levied against the Owner(s) as a Reimbursement Assessment. Such Reimbursement Assessments are due and payable thirty (30) days from the date written notice of the Reimbursement Assessment is given by the Board.

**Section 4.8. Monetary Penalties**

In the event the Board of Directors imposes a monetary penalty (fine) against an Owner, that monetary penalty shall be subject to costs of collection, including without limitation attorneys' fees, late charges and interest as described in Section 4.11 for delinquent payment, to the extent allowed by law. Prior to imposing a penalty on an Owner, the Board shall invite the Owner to a hearing before the Board consistent with procedures set forth in Article 10 of this Declaration.

**Section 4.9. Shares Not Subject to Assessments**

Assessments which would normally become due on Shares, but which Shares are owned by the Association, shall be deemed to be common expenses collectible from all the remaining Shares in the same proportion that each Share bears to the others less the number of Shares owned by the Association.

**Section 4.10. Limitations on Assessments**

4.10.1 Annual increases in Regular Assessments for any fiscal year shall not be imposed unless the Board has distributed a copy of the Association's operating budget for that fiscal year, or has obtained the approval of Owners, constituting a quorum, casting a majority of the votes at a lawfully conducted meeting or election of the Association. For the purposes of this Section, "quorum" means fifty percent plus one (50% plus 1) of the Owners in good standing of the Association.

4.10.2. Except in emergency situations, and unless otherwise superseded by applicable law, the Board may not, without the approval of Owners constituting a quorum of the Owners and casting a majority of the votes at a lawfully conducted meeting or election of the Association, impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the preceding fiscal year, or levy Special Assessments that is more than twenty percent (20%) greater than the Regular Assessment for the preceding fiscal year, the budgeted gross expenses of the Association for that fiscal year. For purposes of this Section, a "quorum" means fifty percent plus one (50% plus 1) of the Owners in good standing of the Association. These limitations shall not apply to Assessment increases that are necessary for emergency situations. An emergency situation is an extraordinary expense that is:

- (1) Required by a court order;
- (2) Necessary to repair or maintain the Property or any part of it for which the Association is responsible where a threat to personal safety in the Property is discovered; or

(3) Necessary to repair or maintain the Property or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget. Before the Board may impose or collect an Assessment in this emergency situation, it shall pass a resolution containing written findings as to the necessity of the extraordinary expense and why the expense was not or could not have been reasonably foreseen in the budgeting process, and shall distribute the resolution to the Owners with the notice of Assessment.

**Section 4.11. Notice of Assessments**

The Association shall provide notice by first-class mail, or by electronic transmission if allowed by statute, to the Owners of any increase in the Regular Assessments or the imposition of a Special Assessment or Reimbursement Assessment at least thirty (30) but not more than sixty (60) days prior to the Assessment becoming due.

**Section 4.12. Costs, Late Charges and Interest**

An Assessment, including any installment payment, is delinquent fifteen (15) days after its due date. Late charges may be levied by the Association against an Owner for the delinquent payment of Assessments, and monetary penalties. If any of these charges is delinquent, the Association may recover all of the following from the Owner.

4.12.1. Reasonable costs incurred in collecting the delinquent charge, including actual attorney's fees.

4.12.2. A late charge not exceeding ten percent (10%) of the delinquent Assessment or ten dollars (\$10.00), whichever is greater, or the maximum amount allowed by applicable law. Late charges may be imposed on each delinquent payment, but no late charge may be imposed more than once for the delinquency of the same payment.

4.12.3. Interest on the foregoing sums, at an annual percentage rate of ten percent (10%) or the maximum amount allowed by applicable law, commencing thirty days after the charge becomes due.

**Section 4.13. Enforcement of Assessments and Late Charges**

A delinquent Assessment (to the extent permitted by law), monetary penalty (to the extent permitted by law), and any related late charges, reasonable costs of collection (including actual attorneys' fees), and interest shall become a lien upon the Share to which such delinquent Assessment(s) and other charges are attributable when a Notice of Delinquent Assessment ("Notice" or "Assessment Lien") along with an itemized statement of charges is recorded with the County Recorder. The Notice shall describe the amount of the delinquent Assessment(s), the related charges authorized by this Declaration, the Share number, the name of the purported Owner, and, if the Assessment Lien is to be enforced by power of sale under non-judicial foreclosure proceedings, the name and address of the trustee authorized by the Association to enforce the Assessment Lien by sale. The Notice shall be signed by any officer of the Association, or any employee or agent of the Association authorized to do so by the Board. The Notice may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure.

Unless prevailing law or state statute requires less stringent action, the Notice may not be recorded until (i) the Board has made the decision to record the Notice by a majority vote of the Board in an open meeting and (ii) the Board records such vote in the Minutes of that meeting concerning delivery of a written demand for payment to the delinquent Owner. If the delinquent Assessment or installment and related charges are paid or otherwise satisfied in accordance with the demand for payment, the Association shall not record the Notice.

The Notice is not required to be amended to reflect any partial payments after its recordation, and any such partial payments shall not be construed to invalidate the Notice. If all sums specified in the Notice and/or accrued thereafter by the terms of the Notice or state statute are paid before the completion of any judicial or non-judicial foreclosure or lawsuit, the Association shall, within twenty-one (21) days of payment of all sums, (i) record a notice of satisfaction and release of lien and provide the Owner with a copy of the lien release or notice that the delinquent Assessment has been satisfied, and (ii) also record a notice of rescission of any recorded notice of default and demand for sale, or otherwise comply with superseding, applicable law in effect.



Prior to foreclosure of any Assessment Lien, the Association shall comply with all requirements under the law, including, but not limited to, the following, unless prevailing law or state statute requires less stringent action: (1) the decision to initiate foreclosure of an Assessment Lien for delinquent Assessments that has been validly recorded shall be made only by the Board, and may not be delegated to an agent of the Association; (2) the Board shall approve the decision by a majority vote of the Directors in an executive session; (3) the Board shall record the vote in the minutes of the next meeting of the Board open to all Members; (4) the Board shall maintain the confidentiality of the Owner or Owners of the separate interest by identifying the matter in the minutes by the Share number, or other means of identification as allowed by statute, rather than the name of the Owner or Owners; and (5) a Board vote to approve foreclosure of an Assessment Lien shall take place at least thirty (30) days prior to any public sale.

**Section 4.14. Priority of Assessment Lien**

Unless applicable law otherwise provides, the Association's Assessment Lien shall be superior or prior to all other liens recorded subsequent to the Notice of Delinquent Assessment, except all taxes, bonds and governmental assessments that, by law, would be superior to such Assessment Lien.

Neither the transfer of a Share pursuant to a foreclosure of any mortgage, nor an election by the Association to proceed against any new Owner for payment, shall serve to cancel the personal obligation of the prior Owner for payment of the delinquent Assessments and charges which accrued during such Owner's period of ownership. The personal obligation of any prior Owner for payment of delinquent Assessments and charges may only be satisfied and therefore discharged, by payment of the entire amount of the delinquent Assessments and charges, whether or not such Owner remains in possession of that Share.

**Section 4.15. No Offsets**

All Assessments levied by the Board shall be payable in the full amount specified, including any Additional Charges imposed as provided by the terms of this Declaration, and no offset against any such amounts shall be permitted for any reason whatsoever including, without limitation, a claim that the Association has failed to properly exercise its duties and powers as provided in this Declaration or a claim that the Association owes money, for any reason, to the Owner.

**Section 4.16. Statement of Delinquent Assessment**

Upon receipt of a written request from an Owner, the Association shall provide that Owner with the amounts of any delinquent Assessments and related late charges, interest, and collection costs, which, as of the date of the statement, are or may be made a lien against the Owner's Share.

**Section 4.17. Acceleration of Assessments**

In the event of a delinquency by an Owner in the payment of any installment of the annual Regular Assessment or Special Assessment equivalent to two (2) months of Assessments, the Board, at its option, may declare the entire remaining balance of such Owner's annual Regular Assessment or Special Assessment, including any outstanding interest, late fees and penalties (collectively, the "Accelerated Assessments") for the current fiscal year immediately due and payable by delivering written notice at least thirty (30) days prior to the due date to the Owner. Such Accelerated Assessments may be collected in any manner provided for by this Declaration or by law. The Board may, in its sole discretion, unilaterally reverse its prior action to accelerate Assessments as to an Owner under this Section and return to the original installment payment schedule, upon which the Owner's annual Regular Assessment or Special Assessment shall no longer be accelerated, but must be paid in accordance with the terms of a payment plan approved by the Board.

ARTICLE 5  
USE RESTRICTIONS AND COVENANTS

**Section 5.1. General**

The use and enjoyment of the Property by Owners and their guests and invitees shall be subject to the Governing Documents. Each such person shall comply with the provisions of the Governing Documents and be subject to any enforcement action in the even of a violation. Unless otherwise stated in the Governing Documents, the Association, through the Board of Directors, and each Owner shall have the right to enforce the provisions of this Declaration.

**Section 5.2. Common Area**

5.2.1. Association Easement: The Association shall have a non-exclusive easement in, to, and throughout the Common Area and its Improvements to perform its duties and exercise its powers.

5.2.2 No Judicial Partition: Except as provided in this Declaration, there shall be no judicial partition of the Common Area. Neither the Association nor any Person with an interest in all or any part of the Property shall seek any judicial partition.

5.2.3 Non-exclusive rights of access: Subject to this Declaration, each Owner has non-exclusive rights of access and support through the Common area. These rights shall be appurtenant to any deed of conveyance. However, these rights shall not interfere with, and shall be subordinate to, any exclusive right to use any portion of the Common Area.

5.2.4. Limitations on Owners' Use of Common Area: The Owners' rights of use and enjoyment in, to, and of the Common Area shall be subject to the Governing Documents and the right of the Association (subject to the limitations of any laws or the Governing Documents) to:

(1) Adopt and enforce reasonable Rules and Regulations governing the use of the Common Area, the installation and use of satellite dish antennae and the effect of any noise or odors emanating from cabin, trailer or campground site onto the Common Area;

(2) Assign or otherwise control the use of any cabin or campground site within the Common Area;

(3) Remove any vehicle within the Property parked in violation of this Declaration or the Rules and Regulations in accordance with the provisions of California Vehicle Code Section 22658;

(4) Cause the construction of additional improvements in the Common Area or the alteration or removal of existing Improvements on the Common Area, subject to Section 3.6 hereof;

(5) Reasonable restrict access to roofs, Association business offices, employee housing, storage, or maintenance facilities, decorative or landscaped areas, and similar portions of the Property; and

(6) Approve any proposed alteration of or modification to the Common Area.

5.2.5. Third Party Easements: The Association may grant to third parties easements in, on, and over the Common Area for the purpose of constructing, installing, or maintaining necessary utilities and services, or other purposes reasonably related to the operation of the Property. Each Owner, in accepting a deed to a Share, expressly consents to these easements. However, no such easement may be granted if it would unreasonably interfere with any Owner's use, occupancy, or enjoyment of any campground site, cabin or the Common Area.

5.2.6. No Owner shall engage in any nuisance or any illegal, noxious, or offensive activity in any part of the Property, or do any act which unreasonably threatens the health, safety and welfare of other Owners of the Property, or which is or may become a nuisance or cause unreasonable embarrassment, disturbance or annoyance to other Owners in the use and enjoyment of the Common Area, including disturbing or annoying actions and behaviors of pets. Each Owner shall comply with all applicable ordinances and statutes and with all requirements of local and/or state boards of health with respect of the use of their assigned campground sit or cabin or the Common Area. Notwithstanding the foregoing, the Association shall not be obligated to abate, or use Association funds or resources to abate any annoyance or nuisance emanating from outside the physical boundaries of the Property.

5.2.7 Common Area Alterations: No Owner shall alter, attach, construct, or remove anything on or from the Common Area, except upon the prior written consent of the Board.

5.2.8 Parking: All vehicles parked on the Property must be operable and designed as passenger vehicles only. No inoperative vehicles shall be permitted to park or be stored anywhere within the Property, other than temporarily. All golf carts must be stored in the storage area when not kept on the assigned campground or cabin site.

5.2.9. Loud Noise: No Owner shall cause, allow or permit the emission or transmission of any loud or raucous noise from any sound making or sound amplifying device in his possession or under his control. The words "loud and raucous noise" as used herein shall mean any sound or recording thereof when amplified or increased by any electrical, mechanical, or other device to such volume, intensity or carrying power as to unreasonably interfere with the peace and quiet of other Persons within or upon the Property, or as to unreasonably annoy, disturb, impair or endanger the comfort, repose, health or safety of other Persons within the Property.

Notwithstanding the foregoing and in addition thereto, no Owner shall make or continue, or cause to be made or continued, any loud, unnecessary or unusual noise which disturbs the peace or quiet of the Property or which causes discomfort or annoyance to any reasonable person of normal sensitivity residing on the Property.

Should the City or the County implement restrictions that are different than the foregoing restrictions, such City or County restrictions can be adopted by the Association's Board in addition to or instead of the foregoing restrictions.

5.2.10. Oil and Mineral Rights: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon the surface of the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be installed upon the surface of the Property within five hundred (500) feet below the surface of the Property. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Property.

### **Section 5.3. Damage Liability**

Each Owner shall be fully responsible for informing members of his or her family, contract purchasers, invitees, and guests of the provisions of the Governing Documents applicable to their use, and shall be fully responsible for the conduct, activities, and any Governing Document violation of any of them, and for any damage to the Property, including any Improvement thereon, or to the Association resulting from the negligent or intentional conduct of any of them or the conduct of any pet belonging to any of them (whether permitted or not). If a share is owned jointly by two or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several; that is, each co-Owner individually shall be fully liable and responsible and all co-Owners collectively shall be fully liable and responsible.

## ARTICLE 6 REPAIR AND MAINTENANCE

### **Section 6.1. Owner Maintenance of Assigned Cabin or Campground Site**

6.1.1 Each Owner shall be responsible, at Owner's sole cost and expense, to clean and maintain, in a manner that is consistent with the surrounding Cabins or Campground Sites and to ensure that such areas do not pose a threat to the health, safety or welfare of other Owners. No Owner shall build or place or cause to be built or placed within their assigned Cabin or Campground Site area any structure.

6.1.2. Association Maintenance of Common Area: Except for that maintenance which is the responsibility of the Owners, the Association shall be responsible for the maintenance, repair and replacement of the Common Area.

### **Section 6.2. Damage Caused by Owner or Item Under Control of Owner**

The Association shall be responsible for performing the repair of any damage to the Common Area or items over which the Association has control at the responsible Owner's expense. The Association may charge the cost of such repair to the responsible Owner as a Reimbursement Assessment, with the full authority to lien, subject to state statute, on such amount in the event of non-payment. If the damage is such as may be covered by insurance carried by the Association, the Board may, in its sole discretion, elect to submit the claim for the cost of repairs to its insurance carrier. Provided the submitted claim is covered by the Association's insurance, the responsible Owner shall bear the cost

of any deductible applicable to the covered claim. If the submitted claim is not covered by the Association's insurance, the Owner shall be responsible for the total cost of the repair.

The responsible Owner shall be obligated to repair any damage to any other Owners' property. Such Owner is responsible pursuant to Article 6, Section 6.2. In any event, the responsible Owner shall indemnify, hold harmless, and defend the Association, its Board of Directors and each individual Director, the officers of the Association and each of them, and the Association's agents and employees against all expenses and liabilities, including, but not limited to, reasonable attorneys' fees and costs incurred by such person or persons in connection with any claim, loss, or expense of any other Owner arising from or relating to personal injury or property damage for which the responsible Owner is liable.

All repairs performed to correct any damage shall be sufficient to return the damaged property only to its condition prior to the damage, with upgrades to conform with any applicable building codes in effect at the time the damage is repaired as may be required.

### **Section 6.3. Association's Maintenance Powers**

The Association, in its sole and absolute discretion, and as more fully set forth in its Articles and Bylaws:

6.3.1. Shall have the sole and exclusive right and duty to manage, operate, control, repair, replace or restore all of the improvements, trees, shrubbery, plants and grass on the Property at their discretion.

6.3.2. Shall levy and collect fees, dues and assessments from its members.

6.3.3. Shall establish and maintain a reserve fund for these and other purposes.

6.3.4. Shall care for open space areas in the Property and remove and destroy any noxious weeds, underbrush, rodents and any unsightly or obnoxious thing therefore, and all other things and perform any labor necessary or desirable to keep and maintain said open spaces and all the land contiguous and adjacent thereto neat and in good order.

6.3.5. Shall provide for the maintenance of the buildings, including Ranch owned employee housing, cabins, pool, tennis courts, campgrounds, stables, corrals, arena and riding facilities, and other community features which may be constructed on the land set aside for the recreational use of the members of the Association, and improve, light, provide for, beautify and maintain private roads and driveways, parks and other open spaces, including all grass plots, park strips, and other planted areas and trees and shrubs in and bordering upon the Property as shall be maintained for the general use of its members.

6.3.6. Shall operate and maintain the water supply system for the Property.

6.3.7. May, without limitation of its general powers, contract with others for the maintenance, operation, construction or reconstruction of the Property or any improvements thereon.

### **Section 6.4. Personal Injury or Property Damage Sustained Within a Cabin, or RV**

In the event any personal injury or property damage is sustained by any person while physically within an RV, or cabin, and such injury or damage results in a claim or suit against any other Owner or the Association, or any of the Association's officers, Directors, agents or employees, the Owner of such RV, and/or the Member with exclusive use of a cabin within which such injury or damage occurred (i) shall and does hereby agree to fully indemnify and hold harmless such other Owner and the Association and the Association's officers, Directors, agents and employees, against whom such claim or suit is brought and (ii) does hereby agree to defend at the Owner's own cost and expense any litigation resulting therefrom in which such other Owner and/or the Association and its officers, Directors, agents or employees have been made a party; provided that no such obligation shall exist with respect to such other Owner or other Person whose negligence or willful misconduct caused or contributed to such injury or damage. In the event of joint ownership of any RV or tent on the Property, the liability of such Owners shall be joint and several.

### **Section 6.5. Association Not Responsible for Loss**

Neither the Association nor any Director, officer, agent or employee of the Association shall be responsible to any Owner nor to any member of such Owner's family, guests, employees or invitees for

any loss or damage suffered by reason of theft or otherwise of any article, vehicle or thing which may be stored by such Owner or other Person in or on any portion of the Property.

## ARTICLE 7 INSURANCE

### **Section 7.1. Fire and Casualty Insurance**

The Association shall obtain and maintain a direct physical loss policy or policies for the full insurable replacement value of the improvements on the Property. The amount of any deductible shall be determined by the Board. This insurance shall be maintained for the benefit of the Association, and the Owners, as their interests may appear as named insured, subject, however, to any loss payment requirements set forth in this Declaration.

### **Section 7.2. General Liability Insurance**

The Association shall obtain and maintain a policy or policies insuring the Association, its officers, Directors, agents and employees, the Owners, and the Owner's relatives, invitees, guests, employees, and their agents against any liability for bodily injury, death, and property damage arising from the activities of the Association and its Members, with respect to the Common Area, property and facilities owned by the Association. Limits of liability under such insurance shall not be less than Two Million Dollars (\$2,000,000.00) or as mandated by current statute, covering all claims for death, personal injury, and property damage arising out of a single occurrence.

The limits of coverage shall be reviewed at least annually by the Board and increased in its discretion.

### **Section 7.3. Errors and Omissions Insurance**

Subject to Section 7.5 below, the Association shall also obtain and maintain a policy of insurance covering the individual liability of offices and Directors of the Association for negligent acts or omissions in their capacity in the minimum amount of Five Hundred Thousand Dollars (\$500,000.00), or as otherwise mandated by current statute.

The limits of coverage shall be reviewed at least annually by the Board and increased or decreased at the Board's discretion.

### **Section 7.4. Other Association Insurance**

The Association shall purchase and maintain workers' compensation insurance to the extent necessary to comply with any applicable laws. The Association may also purchase and maintain fidelity bond coverage which names the Association as obligee, for any person or entity handling funds of the Association, whether or not such persons or entities are compensated for their services. This coverage may be in an amount that is at least equal to the estimated maximum of funds, including reserve funds, in the custody of the Association or its managing agent at any given time during the term of each bond. The aggregate amount of these bonds must be in an amount the Board determines in its best business judgment is adequate. The Association also may purchase and maintain a blanket policy of flood insurance, earthquake insurance and demolition insurance in an amount that is sufficient to cover any demolition that occurs following the total or partial destruction of the Property and a decision not to rebuild. The Association may purchase such other insurance as the Board in its discretion considers necessary or advisable.

### **Section 7.5. Failure to Acquire Insurance**

The Association, and its Directors and officers, shall have no liability to any Owner if, after a good faith effort, it is unable to obtain any insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Regular Assessment increase or Special Assessment needed to fund the insurance premiums. In such event, the Board immediately shall notify each Member entitled to notice that the specific insurance will not be obtained or renewed.

**Section 7.6. Trustee for Policies**

The Association, acting through its Board, is appointed and shall be deemed trustee of the interests of all named insured's under all insurance policies purchased and maintained by the Association. All insurance proceeds under any of those policies shall be paid to the Board as trustee. The Board shall use the proceeds for the repair or replacement of the property for which the insurance was carried for the purposes described in Article 8, below. The Board also is authorized to negotiate loss settlements with the appropriate insurance carriers, to compromise and settle any claim or enforce any claim by any lawful action, and to execute loss claim forms and release forms in connection with such settlements.

**Section 7.7. Individual Insurance**

An Owner shall separately insure such Owner's personal property, RV and motorized vehicles and shall obtain and maintain personal liability and property damage liability insurance to cover the Owner's personal property, RV and vehicles.

Notwithstanding anything to the contrary contained herein, although the Owner is obligated to purchase insurance as required herein, the Association shall not have the obligation to confirm that the Owners purchase the required insurance and/or to confirm the terms of any insurance purchased. The Association shall not be responsible to an Owner if the Owner sustains damage to the Owner's personal property, RV or vehicle and/or collateral damage to other personal property, RV or vehicles and/or the Common Area for which the Owner could be responsible for the cost to remediate or repair same and the Owner does not have or does not maintain the insurances required herein.

**Section 7.8. Insurance Premiums**

Insurance premiums for any insurance coverage obtained by the Association shall be included in the Regular or Special Assessments. That portion of the Assessments necessary for the required insurance premiums shall be used solely for the payment of the premiums when due.

**Section 7.9. Insurance Policy Deductibles**

Subject to statutory insurance requirements, the Board of Directors shall have the power, in its sole discretion, to determine the amount of any deductible applicable to any insurance policy carried by the Association. In the event of a loss for which Association insurance coverage is used, the responsibility for payment of any deductible shall be as follows:

7.9.1. Owners shall be responsible for the cost of any deductible if the damage or loss occurs to any item owned by the Owner, or for which the Owner is responsible, including, but not limited to, the Owner's personal property and vehicles and/or any item owned or controlled by the Owner.

7.9.2. The Association shall be responsible for the cost of any deductible if the damage or loss occurs to any item owned by the Association, or for which the Association is responsible, including, but not limited to Common Area Improvements.

7.9.3 The foregoing notwithstanding, if the damage or loss is caused by the negligence, willful acts, omissions or other misconduct of any Owner, Associate Member, guest, or invitee of an Owner, the responsible Owner shall be liable for the full cost of the repair or loss, including the cost of the deductible.

ARTICLE 8  
DAMAGE OR DESTRUCTION

**Section 8.1. Duty to Repair or Reconstruct**

Common Area Improvements damaged or destroyed by fire or other casualty shall be repaired or reconstructed substantially in accordance with the original as-built plans and specifications, and modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction unless any of the following occurs:

8.1.1. The cost of repair or reconstruction is more than fifty percent (50%) of the current replacement costs of all Property improvements, available insurance proceeds are not sufficient to pay for at least eighty-five percent (85%) of the cost of such repairs or reconstruction, and seventy-five percent (75%) of the total voting power of the Association Members vote against such repair and reconstruction.

8.1.2. Repair or replacement would be illegal under a state statute or municipal ordinance; or

8.1.3. Available insurance proceeds are not sufficient to substantially repair or reconstruct the improvements within a reasonable time as determined by the Board, a Special Assessment levied to supplement the insurance fails to receive the requisite approval (if such approval is required) as provided in Section 4.9, and the Board, without the Owners' approval, is unable to supplement the insurance by borrowing on behalf of the Association sufficient monies to enable the Improvements to be substantially repaired or reconstructed within a reasonable time. Notwithstanding any other provision in this Declaration, any Special Assessment levied on the Members to fund the cost of reconstruction that is in excess of the insurance proceeds received by the Association shall be levied against each Owner.

### **Section 8.2. Process for repair or Reconstruction**

8.2.1. If the Improvements are to be repaired or reconstructed and the cost for repair or reconstruction is in excess of fifty percent (50%) of the current replacement cost of all Common Area Improvements, the Board shall designate a construction consultant, a general contractor, and an architect for the repair or reconstruction. All insurance proceeds, Association monies allocated for the repair or reconstruction, and any borrowings by the Association for the repair or reconstruction shall be deposited with a commercial lending institution experienced in the disbursement of construction loan funds (the "Depository") as selected by the Board. Funds shall be disbursed in accordance with the normal construction loan practices of the Depository that require as a minimum that the construction consultant, general contractor and architect certify within ten (10) days prior to any disbursement substantially all of the following:

(1) That all the work completed as of the date of such request for disbursement has been done in compliance with the approved plans and specifications.

(2) That such disbursement request represents monies that either have been paid by or on behalf of the construction consultant, the general contractor or the architect and/or are justly due to contractors, subcontractors, materialmen, engineers, or other persons (whose name and address shall be stated) who have rendered or furnished certain services or material for the work and given a brief description of such services and materials and the principal subdivisions or categories of same and the respective amounts paid or due to each of said person in respect to same and stating the progress of the work up to the date of said certificate.

(3) That the sum then requested to be disbursed plus all sums previously disbursed does not exceed the cost of the work actually accomplished up to the date of such certificate.

(4) That no part of the cost of the services and materials described in the foregoing Section 8.2.1(1) has been or is being made the basis for the disbursement of any funds in any previous or then pending application.

(5) That the amount held by the Depository, after payment of the amount requested in the pending disbursement request, will be sufficient to pay in full the costs necessary to complete the repair or reconstruction.

8.2.2. If the cost of repair or reconstruction is less than fifty percent (50%) of the current replacement cost of all the Improvements, the Board shall disburse the available funds for the repair and reconstruction under such procedures as the Board deems appropriate under the circumstances.

8.2.3. The repair or reconstruction shall commence as soon as reasonable practicable after the date of such damage or destruction and shall be completed as quickly as is reasonable practicable after commencement of reconstruction, subject to delays that are beyond the control of the party responsible for making the repairs.

### **Section 8.3. Process if Repair or Reconstruction Not Undertaken**

If the Common Area Improvements are not required to be repaired or reconstructed in accordance with the foregoing, all available insurance proceeds shall be disbursed among all Owners, and their respective mortgagees in proportion to the respective fair market values of their Share(s) as of the date immediately preceding the date of damage or destruction as determined by a qualified independent appraiser selected by the Board, after first applying the proceeds to the cost of mitigating hazardous conditions on the Property, making provision for the continuance of public liability insurance to protect the interests of the Owners until the Property can be sold in compliance with all other applicable requirements of governmental agencies.

If the failure to repair or reconstruct results in a material alteration of the use of the Property from its use immediately preceding the damage or destruction as determined by the Board (a material alteration shall be conclusively presumed if repair or reconstruction costs exceed twenty-five percent (25%) of the current replacement cost of all Property improvements), the Property shall be sold in its entirety under such terms and conditions as the Board deems appropriate.

If the Property is sold, the sales proceeds shall be distributed to all Owners and their respective mortgagees in proportion to the respective fair market values of their Share(s) as of the date immediately preceding the date of damage or destruction as determined by the independent appraisal procedure described above. For the purpose of effecting a sale under this Section, each Owner grants to the Association an irrevocable power of attorney to sell the entire Property for the benefit of the Owners, to terminate the Declaration and to dissolve the Association.

Notwithstanding anything herein to the contrary, any owner or group of Owners shall have a right of first refusal to match the terms and conditions of any offer made to the Association in the event of a sale of the Property under this Section, provided this right is exercised within ten (10) days of receipt by the Owners of a notice from the Association containing the terms and conditions of any offer it has received. If the Owner or group of Owners subsequently default on their offer to purchase, they shall be liable to the other Owners and their respective mortgagees for any damages resulting from the default. If more than one (1) Owner or group elects to exercise this right, the Board shall accept the offer that in its determination is the best offer.

#### **Section 8.4. Revival of Right to Partition**

Within sixty (60) days following the date of a determination by the Board or arbitrator of a material alteration, or within one hundred twenty (120) days following the date of damage or destruction if the Board has failed to make a determination as to a material alteration, then the Association shall have the duty to execute, acknowledge, and record in the office of the County Recorder, a certificate declaring the Association's intention not to rebuild. Upon recordation of said certificate, the right of any Owner to partition as to the entire Property shall revive immediately.

### ARTICLE 9 EMMINENT DOMAIN

#### **Section 9.1. Representation by Association**

The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of all or part of the Property. Each Owner, by acceptance of a deed to a Share, irrevocably appoints the Association as their attorney-in-fact to represent the Owners in any such condemnation proceeding(s). In the event of a taking or acquisition of part or all of the Property by a condemning authority, the award or proceeds of settlement, less any fees or costs incurred, shall be payable to the Association, or any trustee appointed by the Association, for the use and benefit of the Owners and their Mortgagees as such obligations are stated in the applicable trust documents.

#### **Section 9.2. Common Area Taking**

In the event of a taking by eminent domain of any part of the Property, the Association shall participate in the negotiations, and shall propose the method of division of the proceeds of condemnation. Proceeds of condemnation, less any cost and fees incurred, including legal fees, shall be distributed among the Owners of Shares and their respective Mortgagees according to the fair market values of the Shares affected by the condemnation as of the date immediately preceding the date of the taking.

#### **Section 9.3. Substantial Taking**

If there is a substantial taking of the Property (more than fifty percent (50%), the Owners may terminate the legal status of the Property and, if necessary, bring a partition action on the election to terminate by fifty percent plus one (50% plus 1) of the total voting power of the Association. The proceeds from the partition sale, less any costs or fees incurred in collection of same, shall be distributed to the Owners and their respective Mortgagees in proportion to the fair market values of the Shares.



ARTICLE 10  
ENFORCEMENT

**Section 10.1. Right to Enforce**

The association or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the Governing documents. Each owner of a share shall have the right of action against the Association or any owner for failure to comply with the provisions of the Governing documents.

**Section 10.2 Right of Entry**

The Association, through its agents or employees, shall have the right to enter upon any portion of the Property to the extent such entry is necessary or convenient to carry out duties of the Association. Such right of entry shall be exercised in such manner as to interfere as little as reasonably possible with the possession and the enjoyment of the Owners of the Property. In case of emergency, entry may be made at any time with only such notice as is reasonable under the circumstances.

**Section 10.3. Nuisance**

Every act or omission by which any provision, condition, restriction, covenants, easements, or reservation contained in the Governing Documents is violated in whole or in part, is declared to be and constitute a nuisance. Every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such act or omission and may be exercised by an Owner and The Association. Each remedy provided herein shall be cumulative and not exclusive. Nm nn

**Section 10.4. Parking Enforcement**

The Board shall have the power to remove any vehicle, camping trailer, horse trailer or other conveyance within the Property parked in violation of this Declaration or the Rules and Regulations in accordance with the provisions of the *California Vehicle Code Section 22658*.

**Section 10.5. Failure to Enforce**

Failure by the Association or any Owner to enforce any provisions of the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter.

**Section 10.6. Violation of Law**

Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of the Property is declared to be a violation of the Governing Documents and subject to any or all of the enforcement procedures herein set forth.

**Section 10.7. Dispute Resolution**

10.7.1 Notwithstanding any provision in this Declaration to the contrary, in the event of a tie vote of the Owners, or if the Association or any Member has any claim, grievance, demand, cause of action, or dispute of any kind whatsoever (the "Dispute"), which relates to enforcement of the Governing Documents and which arises between said Member and the Association, any of its officers, Directors, or agents, prior to the initiation of any other Alternative Dispute Resolution ("ADR") as permitted herein or by law, the Dispute shall first be submitted for resolution pursuant to the Internal Dispute Resolution ("IDR") procedure set forth below. In the event the Dispute cannot be resolved or settled within a reasonable time, through negotiation or the Internal Dispute Resolution process, then the Dispute shall be subject to ADR, such as mediation, conciliation or arbitration. If a Dispute remains unresolved after negotiation and IDR, then the Dispute shall be decided by arbitration, as provided in Section 10.8 below.

10.7.2. **Internal Dispute Resolution:**

(1) Either party may request, in writing, that the other party meet and confer in an effort to resolve the Dispute.

(2) Upon receipt of a written request, the party receiving such request shall respond in writing within thirty (30) days. If the party receiving the request fails to respond within thirty (30) days, the request to meet shall be deemed denied. Only a Member of the Association may refuse

a request to meet and confer. The Association shall not be permitted to refuse such a request and shall meet with the Member requesting such meeting.

(3) A written request shall be delivered to the other party, pursuant to the Notice Requirements contained in Section 12.12 below.

(4) A written request shall contain the following:

- (A) a brief description of the Dispute between the parties;
- (B) a request for Internal Dispute Resolution pursuant to this Section 10.7;
- (C) a copy of this Section 10.7; and
- (D) a notice that the party receiving the written request is required to respond within thirty (30) days of receipt or the request will be deemed rejected.

(5) Upon receipt of a written request by the Association, the Association's Board of Directors shall designate one member with whom the Member may meet.

(6) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the Dispute.

(7) Any resolution of the Dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

(8) Any agreement reached under this Section 10.7 shall be binding upon the Member and the Association and is judicially enforceable if both of the following conditions are satisfied:

- (A) the agreement is not in conflict with any applicable law or the Association's Governing Documents; and
- (B) the agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.

(9) The Association may not charge a fee to the Member to participate in the above described resolution process.

#### **Section 10.8. Arbitration**

10.8.1. Disputes Subject to Arbitration: Notwithstanding any provision in this Declaration to the contrary, in the event of a tie vote of the Owners, or if the Association or any Member has any claim, grievance, demand, cause of action, or dispute of any kind whatsoever, other than those described under Section 10.6, above, and Subsection 10.8.8, below, which relates to enforcement of the Governing Documents and applicable State statute, and which arises between said Member and the Association or any of its officers, Directors, or agents, which Dispute cannot be resolved or settled within a reasonable time by Internal Dispute Resolution, or negotiation, the Dispute shall be subject to and decided by arbitration, in accordance with Code of civil Procedure sections 1280 et seq. to try any or all of the issues in the action or proceeding, whether of fact or of law.

10.8.2. Appointment of Arbitrator: Within ten (10) days after either party demands that the dispute be determined by arbitration, and if IDR has been attempted and was unsuccessful at resolving the Dispute, the parties shall attempt to agree to the appointment of a retired judge of the local Superior Court as arbitrator, or alternately, an attorney with at least ten years of active practice in the subject matter of the dispute. If the parties are unable to agree, either party may, upon thirty (30) days' written notice, apply to Tehama County Superior Court to appoint an arbitrator.

10.8.3. Discovery shall be permitted in such proceedings, subject to applicable law and restrictions imposed by the Arbitrator, and consistent with C.C.P. Section 1280 et seq., if requested by any party. Hearings held in the County, at such time and place and for such periods as the Arbitrator shall designate.

10.8.4. Trial: The trial of the Dispute shall commence within ninety (90) days of the appointment of the arbitrator unless the arbitrator declares an extension of such time. Hearings shall be continuously conducted and diligently completed and the parties shall require that the arbitrator's statement of decision be reported to the parties within twenty (20) days of completion of the hearings. Prior to the rendering of the arbitrator's decision, the total cost of said arbitration, including arbitration fees and court reporter's fees and all costs of administration, shall be borne equally by both parties. The prevailing party shall be awarded recovery of reasonable attorney's fees, costs of suit, and all other incurred costs in addition to any other award made by the arbitrator as part of any judgment or decision.

10.8.5. Judgment upon the award of the arbitrator may be entered, in accordance with applicable law, in any court having jurisdiction over same, and shall be final and binding upon the parties.

10.8.6. Survival of This Section: The provisions for arbitration which are contained in this Section shall survive any termination of ownership interest on behalf of a Member of the Association who is party to a Dispute.

10.8.7. Mediation: Any party to the Dispute may request in writing that the issues in contention first be submitted for mediation to the arbitrator, who, after consent to mediation is made by the other party, will attempt to mediate and settle the dispute. If the parties are unable to settle their dispute, the arbitrator will set a trial date for the arbitration, and will rule on any requests for discovery by any of the parties, which discovery must be completed prior to trial.

10.8.8. Claims and Disputes Exempt from Arbitration. The following types of claims and/or disputes arising under the Governing Documents of the Association shall be exempt from the arbitration provisions set forth in this Section:

- (1) Claims and disputes arising solely between Members of the Association, not involving the Association and for which no claim or relief is sought against the Association, its officers, Directors, or agents;
- (2) Any claim or dispute where the applicable time limitation for commencing an action would run within one hundred and twenty (120) days;
- (3) Any claim or dispute involving declaratory or injunctive relief in conjunction with a claim for damages of more than \$10,000;
- (4) Any claim or dispute wherein the Association or any Member must obtain preliminary or temporary injunctive relief from a court of competent jurisdiction. By way of illustration, and not by way of limitation, any application to enjoin the construction, alteration or modification of any Improvement within the Property which is deemed to be in violation of this Declaration shall be exempt from the judicial reference provisions of this Section. Subsequent to the court's ruling on any application for such remedies, and upon issuance of a court order compelling arbitration, the Dispute shall be submitted for final and binding arbitration in accordance with the arbitration procedures set forth in Subsection (1), above, or
- (5) Any action for collection of Assessments arising under Article 4 of this Restated Declaration, including, but not limited to, judicial and non-judicial foreclosure, except that any claim arising over a disputed Assessment for which a request for Alternative Dispute Resolution is properly made shall be subject to this Section 10.7.

#### **Section 10.9. Compliance with Statute**

All activities to enforce the provisions of the Governing Documents shall be conducted in accordance with all applicable laws, statutes and ordinances. This Section shall apply to both the Association and to all Owners.

#### **Section 10.10. Procedure for Member Discipline**

Prior to disciplining a Member for a violation of the Governing Documents through the levy of fines or suspension of Membership privileges, such as voting privileges or Common Area recreational facility use privileges, the Association shall adhere to the following minimum procedure when disciplining the Member for a violation of the Governing Documents:

- (1) Notice shall be sent by either personal delivery, prepaid first-class mail or e-mail if the Member has authorized e-mail as an acceptable method to receive notice, to the most recent address of the Member as shown on the Association's records, setting forth the proposed disqualification from voting, suspension of other Membership privileges, and /or the proposed levy of a fine or monetary penalty against the disciplined Member, and the reasons therefore. Additionally, the notice shall contain, at a minimum, the date, time and place of the Board meeting at which the proposed disciplinary action will be discussed, together with a statement that the Member has the right to attend the meeting and may address the Board at such meeting. Such notice shall be sent at least ten (10) days before the date of the meeting. Notwithstanding anything to the contrary contained herein, if the California State Legislature, by statute, authorizes notice to be transmitted electronically, the Association shall be authorized to provide notice as set forth in any applicable statutory provision.
- (2) If a Member is disciplined, the Board shall provide notice of the disciplinary action by either personal delivery or prepaid first-class mail to the Member within fifteen (15) days following

the decision to impose discipline. The decision of the Board of Directors shall be final and binding on the Member.

(3) If the Board determines that a Member has proved to be so unruly or uncooperative that the Association as a whole is being adversely affected and the Member's attitude or actions are adversely affecting other Member's rights to the quiet use and enjoyment of the premises, then the Board can vote by a majority of a quorum to send the matter to arbitration. The Board may request that the arbitrator find in accord with the Board's determination and if the arbitrator does so, the arbitrator shall have the power to order the Member to sell his interest, or order the Clerk of the court to sign a quit claim deed acting as elisor.

(4) Arbitration shall be pursuant to California Arbitration Law as found in the Code of Civil Procedure commencing with Section 1280. If the Board and Member cannot agree on an arbitrator, then either may petition the Tehama County Superior Court to appoint a neutral arbitrator as provided in the Code of Civil Procedure.

(5) The determination of the arbitrator shall be binding. If the arbitrator orders the Member to sell his interest to an uninvolved third party and the Member refuses or fails to do so in a reasonable time then the arbitrator shall have the power to order that value of the Member's interest be appraised and the Association shall pay said value to the Member for his interest less reasonable expenses incurred, including attorney's fees and arbitrator's fees.

#### **Section 10.11. Attorneys' Fees**

In the event an attorney is engaged by the Board to enforce the Governing Documents, the Owner covenants and agrees to reimburse the Association any costs or fees incurred, including attorneys' fees, regardless of whether legal proceedings are instituted. In the event litigation is commenced to enforce the Governing Documents, the prevailing party shall be entitled to its attorneys' fees and costs. This Section shall also apply to actual attorneys' fees incurred to collect any post judgment costs. All such costs and attorneys' fees described in this Section shall constitute a Reimbursement Assessment against the Share, which is enforceable pursuant to Article 4 herein.

### ARTICLE 11 AMENDMENTS

This Declaration may be amended by the affirmative vote of Members representing at least fifty percent plus one (50% plus 1) of the voting power of the Association; *provided, however*, that, upon advice of legal counsel licensed to practice law in the State of California including the drafting by legal counsel of appropriate amendatory provisions, the Board shall have the authority without the requirement of Member approval to amend any provision of the Declaration (i) to resolve any conflict between the Declaration and applicable law which may arise due to the enactment or amendment of a statute or due to a development in applicable case law or (ii) to conform the provisions of the Declaration to changes in applicable statutory law that impose requirements that are non-discretionary in nature.

Notwithstanding any contrary provision in this Article 11, the percentage of the voting power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes required for action to be taken under that clause or provision.

An amendment becomes effective after (a) the approval of the required percentage of Owners has been give, (b) that fact has been certified in the form of a written document executed and acknowledged by an officer designated by the Association for that purpose or, if no such designation is made, by the President of the Association and (c) the document has been recorded in the official records of the County.

### ARTICLE 12 GENERAL PROVISIONS

#### **Section 12.1. Term**

The covenants conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes contained in the Declaration shall run with and shall

benefit and burden all of the real property subject to this Declaration, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors, and officers, and their respective agents and successors in interest for a term of fifty (50) years from the date of execution. Thereafter the term shall be automatically extended for successive periods of ten (10) years each, unless the Member of the Association holding at least fifty percent plus one (50% plus 1) of the total voting power of the Association affirmatively vote to terminate the effectiveness of this Declaration. Any such termination, for it to be effective, must be evidenced in an instrument and be recorded in the Office of the County Recorder of Tehama County, California.

**Section 12.2. Nonwives of Remedies**

Each remedy provided for in this Declaration is separate, distinct, and nonexclusive. Failure to exercise a particular remedy shall not be construed as a waiver of the remedy.

**Section 12.3. Severability**

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one (1) provision shall not affect the validity or enforceability or any other provision.

**Section 12.4. Binding**

This Declaration, as well as any amendment to this Declaration and any valid action or directive made pursuant to it, shall be binding on the Owners and their heirs, grantees, tenants, successors, and assigns.

**Section 12.5. Interpretation**

The provision of this Declaration shall be liberally construed and interpreted to effectuate its purpose of creating a uniform plan for the Property and operation of the Property. Failure to enforce any provision of this Declaration is not a waiver of the right to enforce this provision or any other provision of this Declaration.

**Section 12.6. Limitation of Liability**

No Owner shall be responsible for the performance of any obligation under this Declaration, which arises after the sale, transfer, or other divestment of the Owner's entire interest in the Property. This limitation does not relieve an Owner of his responsibility for unpaid or delinquent assessment dues, though his Share may subsequently be sold, transferred or divested.

**Section 12.7. Fair Housing**

Neither the Association nor any Owner shall, either directly or indirectly, forbid the conveyance, of the Owner's Share to any person on the basis of race, color, sex, sexual orientation or preference, religion, ancestry, national origin, physical handicap, or marital or familial status.

**Section 12.8. Number and Headings.**

As used in this Declaration, the singular shall include the plural, and the plural shall include the singular, unless the context requires otherwise. The headings are not a part of this Declaration, and shall not affect the interpretation of any provisions.

**Section 12.9. Notices**

Any document, communication or notice of any kind permitted or required by the Governing Documents, or required to be delivered by State Statute, shall be delivered by any one of the following methods:

- (1) Personal delivery.
- (2) First-class mail, postage prepaid, addressed to a Member at the address last shown on the books of the Association or otherwise provided by the Member. Delivery is deemed to be complete on deposit with the United States Postal Service, or any successor mail delivery provider.
- (3) E-mail, facsimile, or other electronic means, if the recipient has agreed to that method of Delivery in writing in the form prescribed by Corporations Code Section 20(c), and only if such delivery creates a record that is capable of retention, retrieval and review that may thereafter be rendered into

clearly legible form. If a document is delivered by electronic means, delivery is complete at the time of transmission.

(4) By publication in a periodical that is circulated primarily to Members of the Association.

(5) Any other method of delivery, provided that the recipient has agreed to that method of Delivery in writing.

A document may be included in or delivered with a billing statement, newsletter, or other document that is delivered by one of the above methods.

LEGAL DESCRIPTION EXHIBIT "A"

The land herein referred to is situated in the State of California, County of Tehama, and is described as follows:

Parcel "A" of reversion to acreage Tract 1001, Wild Horse Mesa Map filed December 14, 1984 in Book "V" of maps at Pages 31 and 32 in the Office of the County Recorder of the County of Tehama, State of California.

EXCEPTING THEREFROM 25% of all oil, gas, and mineral rights as contained in the deed to L. Matt Mathisen, recorded March 17, 1960 in Book 366 at page 456, Official Records of Tehama County.

Wherever reference is made herein to a California State Statute or other government statute, including, without limitation, California Corporations Code, such reference shall continue to apply to each statute as may be amended or renumbered from time to time and/or any successor statute.

IN WITNESS WHEREOF, we, the Members of R-WILD HORSE Ranch OWNERS' ASSOCIATION, by requisite vote of the Members, and by means of the signatures of the President and the Secretary, do hereby affirm, approve, and adopt the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions for R-Wild Horse Ranch Owners' Association, which Amended and Restated Declaration of Covenants, Conditions, and Restrictions shall be recorded with the County Recorder of Tehama County, California.

R-Wild Horse Ranch Owners' Association A California nonprofit mutual benefit corporation

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

Amended Declaration  
of Covenants, Conditions and Restrictions for R-Wild Horse  
Ranch Owners' Association