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12 Attorneys for Plaintiffs
13 VERTICAL WEB VENTURES, INC., JACKIE
14 McKINLEY, SELINE KARAKAYA, AND
15 CHRISTOPHER LEE

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF SAN BERNARDINO

18 VERTICAL WEB VENTURES, INC.,
19 JACKIE McKINLEY, SELINE
20 KARAKAYA, AND CHRISTOPHER
21 LEE,

22 Plaintiffs,

23 v.

24 ARROWHEAD LAKE ASSOCIATION,
25 GARY CLIFFORD, ROBERT
26 MATTISON, ALAN B. KAITZ, BRIAN
27 C. HALL, ERAN HESSLER, ANTHONY
28 O'KEEFE, CHRISTOPHER WILSON,
and DOES 1 to 10,

Defendant.

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

MAR 10 2022

BY 
NICOLE CARTWRIGHT, DEPUTY

CASE NO. CIVSB2120604

BY FAX

UNLIMITED CIVIL

SECOND AMENDED COMPLAINT FOR:

- (1) BREACH OF CONTRACT
- (2) INFRINGEMENT OF PROPERTY RIGHTS
- (3) BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING
- (4) INTERFERENCE WITH EASEMENT
- (5) DECLARATORY RELIEF
- (6) INJUNCTIVE RELIEF
- (7) RACE AND NATIONAL ORIGIN DISCRIMINATION AND HARASSMENT
- (8) GENDER DISCRIMINATION AND HARASSMENT
- (9) RETALIATION IN VIOLATION OF PUBLIC POLICY
- (10) PRIVATE NUISANCE
- (11) PUBLIC NUISANCE

DEMAND FOR JURY TRIAL

RECEIVED
MAR 10 2022
SUPERIOR COURT
SAN BERNARDINO COUNTY

1 Plaintiffs Vertical Web Ventures, Inc., Jackie McKinley, Seline Karakaya, and
2 Christopher Lee (“Plaintiffs”) hereby complain against Defendants Arrowhead Lake Association,
3 Gary Clifford, Robert Mattison, Alan B. Kaitz, Brian C. Hall, Eran Heissler, Anthony O’Keefe,
4 Christopher Wilson, and Does 1-10, inclusive, as follows:

5
6 **I. NATURE OF THE ACTION**

7 1. Lake Arrowhead (the “Lake”) is located in the mountains of San Bernardino
8 County, California. The Lake offers opportunities for swimming, boating, fishing, and other
9 water sports, as well as mountain activities that have made it and the surrounding area a popular
10 destination for its owners and their vacation lessees and guests for decades.

11 2. Plaintiffs each own real property located in a development known as Arrowhead
12 Woods. Plaintiffs have used, and/or continue to use, their real property both for their own
13 personal enjoyment, as well as the enjoyment of their family members, friends, house guests and
14 those whom they from time to time choose to lease their property for vacation rentals.

15 3. Property ownership in Arrowhead Woods has always included a valuable and
16 exclusive asset: access to the private Lake and shoreline surrounding the Lake (the “Reserve
17 Strips”). These rights expressly extend to each Arrowhead Woods property owners’ lessees and
18 house guests, and that has been the case since at least 1964, when the developers of Lake
19 Arrowhead entered into a formal written agreement (the ‘64 Agreement) to settle a lawsuit
20 brought by the Arrowhead Woods Property Owners’ Association to establish the rights of
21 Arrowhead Woods property owners with respect to the Lake and the Reserve Strips. That ‘64
22 Agreement unequivocally granted the property owners and their successors in Arrowhead Woods,
23 their lessees and house guests, unrestricted access to the Lake for all reasonable recreational use
24 (but not for commercial use) in perpetuity.

25 4. The Arrowhead Woods property owners, through an entity called the Arrowhead
26 Lake Association (the “ALA”), later purchased the Lake and the Reserve Strips, expressly
27 preserving their rights under the ‘64 Agreement. Arrowhead Woods owners created the
28 Defendant ALA to manage the Lake and the Reserve Strips on their behalf.

1 (“Mattison”), Alan B. Kaitz (“Kaitz”), Brian C. Hall (“Hall”), Eran Heissler (“Heissler”),
2 Anthony O’Keefe (“O’Keefe”), and Christopher Wilson (“Wilson”)(collectively “individual
3 Defendants”) are or were directors or employees of the ALA who have initiated, implemented
4 and enforced restrictions on Plaintiffs and other Arrowhead Woods property owners in direct
5 contravention of the ‘64 Agreement, the property rights of Plaintiffs and other Arrowhead Woods
6 property owners, the discrimination and harassment laws of the State of California, and the public
7 policy of the State of California.

8 9 **III. JURISDICTION AND VENUE**

10 13. Jurisdiction and venue are proper in the Superior Court of the State of California
11 for San Bernardino County because the ALA’s principal place of business is located in the
12 County of San Bernardino, State of California and because the unlawful acts arose there. (*See*
13 *Code of Civ. Pro. § 395.5.*)

14 15 **IV. FACTUAL BACKGROUND**

16 **A. The ‘64 Agreement Grants Broad Rights to the Arrowhead Woods Property Owners,** 17 **their Lessees, and their House Guests to Access the Lake and Reserve Strips**

18 14. Access to the Lake and Reserve Strips has always been a prime selling point for
19 property in Arrowhead Woods. The Lake and the surrounding community were first developed
20 as a resort destination a hundred years ago, in 1921, and that has remained the primary attraction
21 of the Lake and of the city of Lake Arrowhead ever since.

22 15. To protect their rights to this valuable and exclusive asset for generations to come,
23 Arrowhead Woods property owners and the Arrowhead Woods Property Owners Association
24 filed a lawsuit in the early 1960s against Arrowhead Mutual Service Co. (owner of the Reserve
25 Strips,¹ “Service Co.”) and Lake Arrowhead Development Co. (owner of the Lake, “Development
26 Co.”) seeking, *inter alia*, to establish their rights to access the Lake and the Reserve Strips.

27 _____
28 ¹. Arrowhead Woods is defined in paragraph 1 of the ‘64 Agreement and Reserve Strips refers to both the Reserve Strips and Reserve Strip Additions defined in paragraph 2 of the ‘64 Agreement. *See* Exhibit A.

1 16. In or about August 1964, the Arrowhead Woods property owners, Development
2 Co. and Service Co. entered into a settlement agreement (the ‘64 Agreement), a true and correct
3 copy of which is attached hereto as Exhibit A. The stated purpose of the ‘64 Agreement was and
4 is “to establish certain rights” of property owners in Arrowhead Woods to the Lake and the
5 Reserve Strips and the Reserve Strip Additions.

6 17. The ‘64 Agreement, granted Arrowhead Woods property owners and their
7 successors, “the following non-exclusive rights, easements, and servitudes in, over, upon and with
8 respect to” the Lake and the Reserve Strips:

- 9 a. The right for themselves, their *lessees* and *house guests* to use the strips for private
10 park and reasonable recreation purposes, and for ingress and egress by foot travel,
11 but not for commercial or business purposes ...
- 12 c. The right for themselves, their *lessees* and *house guests* to use the Lake for
13 reasonable recreational purposes, including but not limited to boating, fishing,
14 swimming and bathing, but not business or commercial purposes, and subject to the
15 rights expressed in paragraph 6 of this instrument, and the right in Development Co.
16 and Service Co. or either of them to promulgate and enforce reasonable regulations
17 designed to promote the safety, health, comfort and convenience of persons in or
18 upon the Lake or in the vicinity thereof with respect to the conduct of such activities.

19 Ex. A, paragraphs 3(a), (c) (emphasis added).

20 18. The ‘64 Agreement also clearly declares that it is “binding upon and inure[s] to the
21 benefit of the successors, lessees, and assigns of the parties hereto.” This language unequivocally
22 provides future owners in Arrowhead Woods, their guests, and their lessees the unrestricted right
23 to use the Lake and the Reserve Strips for reasonable recreational purposes and for ingress and
24 egress.

25 19. The ‘64 Agreement also provides that recordation of the Agreement with the
26 County Recorder of the San Bernardino County, California constitutes “notice to any buyer of
27 property within the exterior boundaries of Arrowhead Woods, including the strips and the Lake.”
28 In accordance with this provision, the ‘64 Agreement was recorded in San Bernardino County in
or about October 1964.

 20. The ‘64 Agreement further provides that any amendments thereto must also be
recorded with the County Recorder of San Bernardino County, California. A search of records
of the County Recorder of San Bernardino County, California shows no such amendments.

1 Accordingly, the '64 Agreement (attached as Exhibit A) is enforceable as originally agreed to.

2 21. After the '64 Agreement was entered into, Development Co. continued to own the
3 Lake and the Reserve Strips. On information and belief, in or about 1967, Development Co.
4 merged with Boise Cascade Corporation of Boise, Idaho, and Boise Cascade become the owner
5 of the Lake and Reserve Strips. The Arrowhead Woods property owners' rights to the Lake and
6 the Strips remained unchanged under the '64 Agreement following that merger.

7 **B. The Arrowhead Woods Property Owners Purchase the Lake and Reserve Strips**

8 22. In or about 1974, the dam that created the Lake needed to be rebuilt after studies
9 following the 1971 Sylmar earthquake revealed it to be unsafe. Boise Cascade wanted the cost
10 of the rebuild to be shared by the Arrowhead Woods property owners. The Arrowhead Woods
11 property owners financed a \$7 million bond so that the dam could be rebuilt.

12 23. Soon thereafter, in 1974, the Arrowhead Woods property owners together formed
13 the ALA and in 1975, purchased the Lake and the Reserve Strip from Boise Cascade. Nothing
14 in the purchase agreement between the Arrowhead Woods property owners and Boise Cascade,
15 or in the ALA formation documents, altered the rights of Arrowhead Woods property owners to
16 unrestricted access to the Lake and the Reserve Strips for themselves, their lessees and their
17 guests. Indeed, since the Arrowhead Woods property owners were purchasing the Lake and the
18 Reserve Strips, there would be no need to modify the terms of the '64 Agreement, and the 1975
19 Agreement reaffirms the continuing viability of the '64 Agreement. The ALA formation
20 documents confirm that fact, as discussed further below.

21 24. So too does the conduct of the ALA over the course of more than 50 years since
22 the '64 Agreement was entered into. The ALA consistently recognized that vacation renters had
23 full access rights and even granted them permits to boat on the Lake. During that time, it
24 followed the '64 Agreement in all respects and did not advance absurd assertions such as a
25 vacation renter is not a lessee or a guest.

26 25. The ALA's Articles of Incorporation confirm this, stating that the ALA's "specific
27 purpose" is to "provide nonprofit recreational facilities and activities on and around Lake
28 Arrowhead, exclusively for the use and enjoyment of the owners of real property in Arrowhead

1 Woods, their families and *guests*.” (Emphasis added.) A true and correct copy of the Articles of
2 Incorporation is attached hereto as Exhibit B.

3 26. The ALA is governed by Bylaws. A true and correct copy of the Bylaws dated
4 April 24, 2021 is attached hereto as Exhibit C. The ALA’s obligation to comply with the ‘64
5 Agreement, and the primacy of the ‘64 Agreement are recognized in Article II, Section F,
6 Number 8 of the Bylaws: “In the event of a conflict between the ALA Bylaws and the language
7 of the 1964 Agreement, the language of the 1964 Agreement shall control.”

8 27. The Bylaws provide that only owners of real property in Arrowhead Woods may
9 be residential members of the ALA. *See* Exhibit C, Article II, Section B. However, the ‘64
10 Agreement does not require that Arrowhead Woods property owners join the ALA or any other
11 organization to qualify for the access rights enumerated in paragraph 3.

12 **C. The ‘64 Agreement Grants Arrowhead Woods Property Owners and Renters**
13 **Unrestricted Access to the Lake and Reserve Strips**

14 28. Plaintiffs are successor owners of real property in Arrowhead Woods.
15 Accordingly, they, along with their lessees and house guests, possess the access rights
16 enumerated in the ‘64 Agreement to use the Lake and Reserve Strips for recreational purposes.

17 29. The Grant of Easement (Exhibit D) confers easement rights on the ALA, its
18 members, and *their* invitees and guests. The Grant of Easement defines an ALA “Member” as
19 “each and every owner of real property in the area known as Arrowhead Woods.” *See* Exhibit D
20 at paragraphs D, E. Because Plaintiffs are Arrowhead Woods real property owners, they are
21 Members as defined by the Grant of Easement.

22 30. Plaintiffs and other Lake Arrowhead Woods property owners have obtained lawful
23 permits from the San Bernardino County Land Use Services Code Enforcement Department to
24 lease their properties to vacation renters for anytime period they choose.

25 31. A vacation renter is a “lessee” under every plausible definition of that word and
26 therefore, under the ‘64 Agreement, vacation renters who occupy Plaintiffs’ properties as lessees
27 have the unrestricted right to access the Lake and Reserve Strips. Vacation lessees are also the
28 owners’ houseguests and are therefore entitled to access on that basis as well.

1 **D. The ALA's Ban on Arrowhead Woods Vacation Renters is Void and**
2 **Unenforceable**

3 32. Despite the clear and unequivocal language in the '64 Agreement, the ALA has
4 unlawfully banned Arrowhead Woods vacation lessees from accessing the Lake and Reserve
5 Strips.

6 33. Initially, in or about 2019, the defendants proposed to unilaterally amend the
7 Bylaws to ban vacation lessees from the Lake and Reserve Strips. This proposal was met with
8 strong opposition from Plaintiffs and other Arrowhead Woods property owners because it would
9 violate the '64 Agreement.

10 34. In response, in or about 2020, the defendants again proposed to ban Arrowhead
11 Woods owners' vacation renters, this time by putting the proposed ban to a vote of the ALA
12 membership. The ALA membership is a smaller subset of Arrowhead Woods property owners
13 and has no more ability to override the '64 Agreement and Arrowhead Woods owners' property
14 rights than do the defendants. The defendants thus sought to accomplish by mob rule what they
15 knew they could not accomplish by law.

16 35. In or about September 2020, the ALA membership voted in favor of banning
17 vacation lessees. Thereafter, the ALA Board of Directors, including the individual defendants,
18 amended the Bylaws to added the following Section C to Article II thereof:

19 The clients of ALA members who rent their homes in Arrowhead Woods for less
20 than a 30-day period ("Short Term Renters") cannot access Lake Arrowhead, the
21 ALA Beach Clubs, the ALA trails, any other ALA facility and/or any dock on Lake
22 Arrowhead owned by any ALA member renting a home in Arrowhead Woods to
23 the Short Term Renter.

24 As this Bylaw was created by a vote of the ALA members, it can only be changed
25 by a vote of the ALA members.

26 36. By prohibiting vacation lessees from accessing the Lake and the "ALA trails" (i.e.
27 the Reserve Strips), Section C entirely deprives Plaintiffs, other Arrowhead Woods owners, and
28 their vacation lessees and guests of the access rights granted in paragraph 3 of the '64 Agreement.
Section C even prohibits Arrowhead Woods property owners from allowing their lessees and
house guests (i.e. vacation renters) access to their docks on the Lake, docks that Arrowhead

1 Woods property owners own in fee. The defendants know this full well, yet have acted outside
2 the scope of their duties as board members in so amending the Bylaws.

3 37. Section C is void and unenforceable because it directly violates the property rights
4 conferred upon Arrowhead Woods lessees and their house guests by the '64 Agreement. The
5 ALA's own Bylaws admit that the ALA's rights are limited by the '64 Agreement. The
6 defendants know this full well, yet have acted outside the scope of their duties as board members
7 in so amending the Bylaws.

8 38. A vote by the majority of ALA members is also irrelevant and an invalid attempt
9 to interfere with Arrowhead Woods owners' property rights because membership in the ALA is
10 not and has never been a requirement for Arrowhead Woods property owners, their lessees, and
11 house guests to exercise their right to access the Lake and the Reserve Strips pursuant to the '64
12 Agreement. The defendants know this full well, yet have acted outside the scope of their duties
13 as board members in so amending the Bylaws.

14 39. The ALA and the individual defendants have taken the position that the ban on
15 vacation lessees falls within its right, as the successor to Service Co. and Development Co., to
16 "promulgate and enforce reasonable regulations designed to promote the safety, health, comfort
17 and convenience of persons in or upon the Lake or in the vicinity." But this provision by no
18 means authorizes the ALA to deprive Arrowhead Woods property owners of rights unequivocally
19 guaranteed and recorded in the '64 Agreement.

20 40. The Bylaw amendment indisputably exceeds the ALA's authority to adopt
21 *reasonable* regulations because rather than reasonably regulate the access of Arrowhead Woods
22 property owners', their lessees, and their guests, it completely denies them access to the Lake and
23 Reserve Strips. In doing so, the ALA deprives Plaintiffs and other Arrowhead Woods property
24 owners of property rights granted by the '64 Agreement.

25 41. The defendants also contend that allowing vacation lessees access to the Lake and
26 Reserve Strips constitutes a "commercial or business purposes" under the '64 Agreement.
27 However, this assertion is not plausible and is contrary and inconsistent with the clear and
28 express language of the '64 Agreement and the custom and practice of the ALA itself.

1 42. At the October 24, 2020 ALA Board meeting, the defendants approved a further
2 amendment to the Bylaws to impose the following fine schedule:

3 The fine schedule for ALA members who rent their homes in Arrowhead Woods
4 for less than a 30-day period and allow a Short Term Renter or Short Term Renters
5 to access Lake Arrowhead, the ALA Beach Clubs, the ALA trails and/or any other
6 ALA facility and/or any dock on Lake Arrowhead owned by any ALA member
7 renting a home in Arrowhead Woods to the Short Term Renter is as follows:

- 8 1. First Violation. A maximum fine of \$1,000.00;
- 9 2. Second Violation. A maximum fine of \$2,500.00;
- 10 3. Third Violation. A maximum fine of \$5,000.00.

11 In addition to the maximum fines listed above, any ALA member who is found to
12 have violated this section three or more times may be called to a hearing pursuant
13 to ALA Bylaws Article II, SECTION H. Rules and Procedures for Suspension or
14 Expulsion of Members from the Arrowhead Lake Association.

15 43. The fee schedule is not only excessive, it constitutes a further violation of the ‘64
16 Agreement because it imposes fines on Arrowhead Woods property owners for exercising rights
17 guaranteed by the ‘64 Agreement.

18 **E. The ALA Imposes Barriers to Access in Violation of the ‘64 Agreement**

19 44. Separate and apart from the vacation lessee ban discussed above, the defendants
20 have otherwise blatantly violated the ‘64 Agreement in their quest to change the Lake community
21 into a private country club that serves their interests to the exclusion of the rights of *all*
22 Arrowhead Woods property owners to enjoy and share the Lake with their family and friends.

23 **F. Arbitrary Rules and Selective Enforcement Violate the ‘64 Agreement**

24 45. For decades, Arrowhead Woods property owners have used their homes as a
25 gathering place and retreat for family and friends to enjoy the Lake and its abundant recreational
26 opportunities. The ‘64 Agreement protects their legal right to continue to do so. The defendants
27 have unduly restricted that right by arbitrarily and inconsistently enforcing unlawful limitations
28 on that access.

 46. In or around 2020, the defendants began requiring that Arrowhead Woods property
owners register *any* guests by name. This requirement unreasonably and unnecessarily invades
the privacy of Arrowhead Woods property owners and their guests who, for any number of valid

1 reasons, including privacy rights, oppose disclosing their name and whereabouts to the ALA and
2 its employees and volunteers.

3 47. The defendants have further unreasonably and unnecessarily restricted Arrowhead
4 Woods property owners' rights by arbitrarily limiting the number of guests that can be registered
5 per household and resisting requests to make substitutions to the guests registered.

6 48. The defendants have further infringed on the rights conferred by the '64
7 Agreement by deputizing untrained and unqualified volunteers to patrol the Lake and Reserve
8 Strips to enforce these unreasonable restrictions. This so-called "volunteer auxiliary patrol"
9 harasses Arrowhead Woods property owners and their guests who are peacefully enjoying the
10 trails and the Lake. The patrol purports to have the right to stop anyone, demand they provide
11 identification, and detain them until their identity and right to access can be verified. This type of
12 police-state tactic blatantly interferes with Arrowhead Woods property owners' and their guests'
13 use and enjoyment of their right to access the Lake and Reserve Strips. Worse yet, the "volunteer
14 auxiliary patrol" regularly targets minorities and Arrowhead Woods property owners who have
15 openly opposed the ALA.

16 **F. Requirement of RFID Cards Violates the '64 Agreement**

17 49. For decades, entrance gates to the Reserve Strips and the Lake had keypads that
18 enabled Arrowhead Woods property owners, their lessees, and their guests access using a
19 passcode. This system allowed the ALA to keep the Lake and trails private without unduly
20 burdening the rights conferred to Arrowhead Woods property owners, their lessees, and their
21 guests to access the Reserve Strips and the Lake.

22 50. In or about 2020, the defendants unilaterally decided to replace the keypads with
23 sensors that grant access only to those carrying a radio frequency identification ("RFID") card.
24 This change created a substantial and unjustifiable barrier to access that exceeds the ALA's
25 limited authority to promulgate reasonable regulations related to the safety, health, comfort and
26 convenience of persons in or upon the Lake or in the vicinity in multiple ways.

27 51. First, the defendants refuse to issue RFID cards to Arrowhead Woods property
28 owners who are not ALA members. As set forth above, the '64 Agreement indisputably grants

1 access rights to *all* Arrowhead Woods property owners. Accordingly, the defendants’ refusal to
2 issue RFID cards to Arrowhead Woods property owners who are not members of the ALA
3 constitutes a material breach of the ‘64 Agreement because it deprives a whole class of
4 Arrowhead Woods property owners of access to the Lake and Reserve Strips.

5 52. Second, the defendants arbitrarily restrict Arrowhead Woods property owners’
6 households to two RFID cards. This arbitrary restriction on the number of cards issued to
7 households unduly impairs Arrowhead Woods property owners’ use and enjoyment of their
8 access rights and therefore, constitutes a breach of the ‘64 Agreement. For example, an
9 Arrowhead Woods property owner with an immediate family of three or more cannot separately
10 access the Lake and Reserve Strips on any given day. If the family hosts additional houseguests,
11 this significant impairment of their access rights is compounded.

12 **G. Construction of New Fences Violates the ‘64 Agreement**

13 53. As described above, for decades, gates and fences at several main entry points to
14 the Lake and Reserve Strips effectively maintained the private access reserved for Arrowhead
15 Woods property owners, their lessees, and their guests.

16 54. In or about 2020 and 2021, the defendants erected new fences and gates in more
17 remote locations that have little foot traffic by members of the general public unaffiliated with
18 Arrowhead Woods property owners. The clear intent of these new fences and gates is to enforce
19 the new and unlawful restrictions the defendants have imposed on Arrowhead Woods property
20 owners, as well as their lessees and houseguests.

21 55. These new fences and gates directly obstruct Arrowhead Woods owners’, their
22 lessees’, and their guests’ access to Reserve Strips and the Lake, including to the docks they own
23 on the Lake. These new gates and fences cannot be construed as reasonable regulations designed
24 to promote the “safety, health, comfort and convenience of persons in or upon the Lake or in the
25 vicinity.” To the contrary, the heavy gates, located sometimes on steep flights of stairs, grossly
26 inconvenience Arrowhead Woods property owners and create a dangerous safety hazard for
27 owners, young children and others who have difficulty navigating stairs.

28 ///

1 56. These problems are compounded by the fact that Arrowhead Woods property
2 owners are restricted to two RFID cards per household and therefore, must go up and down each
3 time one of their family members or friends needs to be let in through the gate.

4 57. The new gates and fences have not been needed for the past 55-plus years and are
5 unnecessary, inconvenient, and in some instances, hazardous. They violate the right of
6 Arrowhead Woods property owners, their lessees, and their guests to access the Lake and the
7 Reserve Strips.

8 **H. Posted Signs Violate the '64 Agreement**

9 58. The defendants have posted and enforced rules at one of the main entrance gates to
10 the Lake and trails that directly violate the rights conferred by the '64 Agreement.

11 59. The posted sign pictured below states "Membership Required" for access to the
12 trails and directs members to carry their membership cards. By posting this sign, the defendants
13 have improperly restricted access to the trails to ALA members only and have thereby deprived
14 access to Arrowhead Woods property owners who are not members of the ALA and their lessees
15 and guests.



1 60. The sign pictured below acknowledges that Arrowhead Woods property owners
2 have the right to access regardless of membership. However, the ‘64 Agreement does not permit
3 the ALA to limit access to Arrowhead Woods property owners because such property owners are
4 entitled to extend access to their lessees and guests.



17 61. Most recently, on July 10, 2021, the ALA Board of Directors announced that it has
18 promulgated the following rule, purporting to ban Arrowhead Woods property owners who are
19 not members from accessing the Lake and Reserve Strips:

20 Any property owner of a residential lot in Arrowhead Woods (‘Property Owner’) who wishes to use, or to allow guests and/or lessees to use Lake Arrowhead and/or the Association Properties (including, without limitation, the Reserve Strip and/or Reserve Strip Additions, Trails near Lake Arrowhead and any other property owned by ALA) must become at least a general member of the ALA. Should any property owner chose not to become an ALA member, that property owner and that property owner’s guests and/or lessees will not be permitted to use Lake Arrowhead and/or any other Association Properties.

21
22
23
24
25 62. The ALA has no authority to impose such a requirement on the express property
26 rights of Arrowhead Woods property owners. While the ‘64 Agreement grants the ALA, as a
27 successor owner of the Lake and Reserve Strips, circumscribed rights to impose “reasonable
28 regulations” on access, denying access is not and cannot be construed as reasonable regulation.

1 The ALA has no right to require Arrowhead Woods property owners to pay for property rights
2 they already possess. The defendants know this full well, yet have acted outside the scope of
3 their duties as board members in so amending the Bylaws.

4
5 **FIRST CAUSE OF ACTION**

6 **Breach of Contract**

7 **(Against Defendant ALA)**

8 63. The allegations contained in the preceding paragraphs 1 through 62 are hereby
9 incorporated by reference as if fully set forth herein.

10 64. The benefits provided in the '64 Agreement inure to the benefit of Plaintiffs, their
11 lessees, and guests because Plaintiffs are successor owners of Arrowhead Woods real property.

12 65. The ALA's Bylaws reaffirm the rights granted to Arrowhead Woods property
13 owners by the '64 Agreement.

14 66. In breach of Plaintiffs' rights enumerated in the '64 Agreement, the defendants
15 have amended the ALA Bylaws to ban Arrowhead Woods property owners' vacation lessees and
16 guests from accessing the Lake and Reserve Strips and have imposed fines for violation of the
17 ban.

18 67. In breach of Plaintiffs' rights enumerated in the '64 Agreement, the defendants
19 have promulgated, posted, and enforced rules that improperly limit Lake and Reserve Strips
20 access to ALA members, denying such access to Arrowhead Woods property owners.

21 68. In breach of Plaintiffs' rights enumerated in the '64 Agreement, the defendants
22 have arbitrarily restricted Plaintiffs, their lessees, and their guests rights to access the Lake and
23 Reserve Strips by limiting the number of RFID issued and requiring that guests be registered.

24 69. In breach of Plaintiffs' rights enumerated in the '64 Agreement, the defendants
25 have used their volunteer auxiliary patrol to harass Arrowhead Woods property owners and their
26 guests on the Lake and the Reserve Strips by stopping them, demanding verification of their
27 identity, and detaining them until their identification and right to access can be verified.

28 70. In breach of Plaintiffs' rights enumerated in the '64 Agreement, the defendants

1 have erected new fences and gates that unnecessarily and unreasonably obstruct access to the
2 Lake and the Reserve Strips.

3 71. As a direct and proximate result of the ALA's breach of the '64 Agreement,
4 Plaintiffs have been and continue to be damaged in an amount in excess of the court's
5 jurisdictional threshold, and to be established by appropriate proof at trial.

6
7 **SECOND CAUSE OF ACTION**

8 **Infringement of Property Rights**

9 **(Against All Defendants)**

10 72. The allegations contained in the preceding paragraphs 1 through 71 are hereby
11 incorporated by reference as if fully set forth herein.

12 73. The property rights provided in the '64 Agreement inure to the benefit of Plaintiffs
13 and their lessees and guests because Plaintiffs are successor owners of Arrowhead Woods real
14 property.

15 74. The ALA's Bylaws reaffirm the rights granted to Arrowhead Woods property
16 owners by the '64 Agreement.

17 75. The defendants have infringed Plaintiffs' and other Arrowhead Woods property
18 owners' property rights enumerated in the '64 Agreement, by amending the ALA's Bylaws to ban
19 Arrowhead Woods property owners' vacation lessees and guests from accessing the Lake and
20 Reserve Strips and have imposed fines for violation of the ban.

21 76. The defendants have also infringed property rights granted to Arrowhead Woods
22 property owners by the '64 Agreement by promulgating, posting, and enforcing rules that
23 improperly limit Lake and Reserve Strips access to ALA members.

24 77. Defendants have further infringed property rights granted to Arrowhead Woods
25 property owners by the '64 Agreement by imposing arbitrary restrictions on the number of RFID
26 cards issued per household and requiring registration of guests.

27 78. Defendants have further infringed property rights granted to Arrowhead Woods
28 property owners by the '64 Agreement by harassing Arrowhead Woods property owners and their

1 guests on the Lake and the Reserve Strips.

2 79. Defendants have further infringed property rights granted to Arrowhead Woods
3 property owners by the '64 Agreement by erecting new fences and gates that unnecessarily and
4 unreasonably obstruct access to the Lake and the Reserve Strips.

5 80. As a direct and proximate result of the ALA's breach of the '64 Agreement,
6 Plaintiffs have been and continue to be damaged in an amount in excess of the court's
7 jurisdictional threshold, and to be established by appropriate proof at trial.

8
9 **THIRD CAUSE OF ACTION**

10 **Breach of the Covenant of Good Faith and Fair Dealing**

11 **(Against Defendant ALA)**

12 81. The allegations contained in the preceding paragraphs 1 through 80 are hereby
13 incorporated by reference as if fully set forth herein.

14 82. Plaintiffs and the ALA are successors in interest to the '64 Agreement and
15 bound by its terms.

16 83. The defendants have prevented Plaintiffs and other Arrowhead Woods
17 property owners from receiving the benefits of the '64 Agreement because the ALA has barred
18 Plaintiffs from granting their vacation lessees access to the Lake and Reserve Strips, otherwise
19 made ALA membership a requirement for access, and arbitrarily imposed restrictions on RFID
20 cards and guest registered.

21 84. By banning vacation lessees and non-ALA member Arrowhead Woods
22 property owners from the Lake and Reserve Strips access and imposing other arbitrary
23 restrictions, the defendants did not act fairly or in good faith and thereby breached the covenant of
24 good faith and fair dealing.

25 85. By purporting to deny Lake and Reserve Strip access to Arrowhead Woods
26 property owners who are not members of the ALA, the defendants have not acted fairly or in
27 good faith and thereby breached the covenant of good faith and fair dealing.

28 86. By imposing rules that arbitrarily and unreasonably restrict the number of

1 RFID cards and require registration of guests, the defendants have not acted fairly or in good faith
2 and thereby breached the covenant of good faith and fair dealing.

3 87. By having deputizing the volunteer auxiliary patrol to harass Arrowhead
4 Woods property owners and their guests on the Lake and the Reserve Strips, the defendants have
5 not acted fairly or in good faith and thereby breached the covenant of good faith and fair dealing.

6 88. By erecting new and unnecessary fences and gates that unreasonably restrict
7 the access of Arrowhead Woods property owners, their lessees, and their guests to the Lake and
8 the Reserve Strips, the defendants have not acted fairly or in good faith and thereby breached the
9 covenant of good faith and fair dealing.

10 89. As a direct and proximate result of defendants' failure to act fairly and in good
11 faith, Plaintiffs have been and continued to be damaged in an amount in excess of the court's
12 jurisdictional threshold, and to be established by appropriate proof at trial.

13
14 **FOURTH CAUSE OF ACTION**

15 **Interference with Easement**

16 **(Against All Defendants)**

17 90. The allegations contained in the preceding paragraphs 1 through 89 are hereby
18 incorporated by reference as if fully set forth herein.

19 91. Plaintiffs have an easement that permits them, their lessees and house guests to
20 access and use the Lake located and land owned by the ALA for reasonable recreational purposes
21 and to use the Reserve Strips owned by the ALA for reasonable recreational purposes and ingress
22 and egress.

23 92. The ALA has a duty not to interfere unreasonably with Plaintiffs' easement
24 rights.

25 93. The defendants have unreasonably interfered with Plaintiffs' use and
26 enjoyment of their easement rights by (1) enacting a Bylaw that prohibits Plaintiffs' vacation
27 lessees from accessing the Lake and Reserve Strips and (2) imposing other arbitrary, unnecessary
28 and unreasonable barriers (including the requirement that guests be registered, restrictions on the

1 number of RFID cards issued, harassing patrols of property owners and their guests on the trails
2 and at the Lake, and new fences and gates) that unduly restrict Plaintiffs, their guests, and lessees
3 from accessing the Lake and Reserve Strips.

4 94. As a direct and proximate result of defendants' interference with Plaintiffs'
5 easement rights, Plaintiffs have been and continue to be damaged in an amount in excess of the
6 court's jurisdictional threshold, and to be established by appropriate proof at trial.

7
8 **FIFTH CAUSE OF ACTION**

9 **Declaratory Relief**

10 **(Against All Defendants)**

11 95. The allegations contained in the preceding paragraphs 1 through 94 are hereby
12 incorporated by reference as if fully set forth herein.

13 96. An actual controversy has arisen and now exists between Plaintiffs and the ALA
14 concerning their respective rights and obligations.

15 97. Plaintiffs contend that vacation lessees are "lessees and house guests" and that
16 therefore such vacation lessees are entitled to access the Lake and Reserve Strips for reasonable
17 recreation purposes as set forth in the '64 Agreement.

18 98. Plaintiffs further contend that Article II, Section C of the ALA Bylaws does not
19 and cannot constitute a "reasonable regulation[]" designed to promote the safety, health, comfort
20 and convenience of persons in or upon the Lake or in the vicinity" because it is grossly
21 overbroad, because it directly conflicts with the rights of Arrowhead Woods property owners to
22 grant their lessees and/or house guests access to the Lake and Reserve Strips and because it
23 imposes undue penalties on Arrowhead Woods property owners.

24 99. On that basis, Plaintiffs further contend that the ALA's Bylaws Article II, Section
25 C is void and unenforceable because Section C directly and unreasonably infringes upon and
26 interferes with the rights of Plaintiffs and other Arrowhead Woods property owners under the '64
27 Agreement to grant their vacation lessees (as their lessees and/or house guests) access to the Lake
28 and Reserve Strips for reasonable recreational purposes and for ingress and egress by foot.

1 100. Plaintiffs are informed and believe that the ALA contends that the ban on vacation
2 lessees somehow constitutes a “reasonable regulation[] designed to promote the safety, health,
3 comfort and convenience of persons in or upon the Lake or in the vicinity.” Plaintiffs dispute that
4 the ban is a reasonable regulation because it completely denies access, rather than regulating
5 access.

6 101. Plaintiffs are informed and believe that the ALA also contends that providing
7 vacation lessees access to the Lake and Reserve Strips constitutes “commercial or business
8 purposes.” Plaintiffs dispute this contention on the ground that it is inconsistent with the 1964
9 Agreement’s granting of lessees (which necessarily includes vacation rentals) right to access the
10 Lake and Reserve Strips for private park and reasonable recreational purposes and for ingress and
11 egress by foot.

12 102. Plaintiffs are informed and believe that the ALA contends that limiting access to
13 Arrowhead Woods property owners who are members of the ALA somehow constitutes a
14 “reasonable regulation[] designed to promote the safety, health, comfort and convenience of
15 persons in or upon the Lake or in the vicinity.” Plaintiffs dispute that the ban is a reasonable
16 regulation because it improperly seeks to require Arrowhead Woods property owners to pay for
17 property rights they already possess by law.

18 103. Plaintiffs are informed and believe that the ALA contends that the restrictions
19 placed on issuance of RFID card, guest registration requirement, new fences and gates, and
20 harassing patrols constitute “reasonable regulation[] designed to promote the safety, health,
21 comfort and convenience of persons in or upon the Lake or in the vicinity.” Plaintiffs dispute that
22 arbitrarily restricting the free access of Arrowhead Woods property owners, their lessees, and
23 their guests constitutes reasonable regulations. Defendants, therefore, do not have the authority
24 pursuant to the ‘64 Agreement to impose regulations that unduly impair Arrowhead Woods
25 property owners’ access rights.

26 104. Plaintiffs desire a judicial determination of the parties’ respective rights and duties,
27 and a declaration (a) that Article II, Section C of the ALA’s Bylaws is void and unenforceable
28 insofar as it restricts Arrowhead Woods vacation lessees from accessing the Lake and Reserve

1 Strips as permitted by the '64 Agreement and imposes fines on Arrowhead Woods property
2 owners for the same; (b) that the ALA may not deny Lake and Reserve Strips access to
3 Arrowhead Woods property owners who are not members of the ALA; (c) that the ALA may not
4 restrict Arrowhead Woods property owners from extending access to the Lake and Reserve Strips
5 to their family members, their guests and their lessees by arbitrarily limiting the number of RFID
6 cards issued and requiring registration of guests; (d) that the ALA cannot stop and demand
7 identification of Arrowhead Woods property owners and their guests using the Reserve Strips and
8 the Lake; and (e) that the new fences and gates erected in 2020 are unreasonable obstructions to
9 Arrowhead Woods property owners' rights to access the Lake and Reserve Strips; and (f) that the
10 ALA may not in the future prohibit Arrowhead Woods vacation lessees from accessing the Lake
11 and Reserve Strips in violation of the '64 Agreement.

12 105. A judicial determination is necessary and appropriate at this time so that Plaintiffs
13 may ascertain their rights as Arrowhead Woods property owners with respect to the use and
14 enjoyment of the Lake and Reserve Strips and to avoid irreparable harm to Plaintiffs.

15 **SIXTH CAUSE OF ACTION**

16 **Injunctive Relief**

17 **(Against All Defendants)**

18 106. The allegations contained in the preceding paragraphs 1 through 105 are hereby
19 incorporated by reference as if fully set forth herein.

20 107. The '64 Agreement provides that three or more owners of Arrowhead Woods
21 property owners have the right to seek a preliminary injunction to enforce the easements and
22 servitudes contained therein. See Exhibit A, paragraph 4.

23 108. Article II, Section C of the ALA Bylaws interferes with Plaintiffs' easement and
24 servitude rights defined in paragraph 3 of the '64 Agreement.

25 109. As owners of Arrowhead Woods property, Plaintiffs invoke paragraph 4 of the '64
26 Agreement to enforce the easements and servitudes granted to Arrowhead Woods lessees and
27 house guests by respectfully requesting that the Court enjoin the ALA from enforcing Article II,
28

1 Section C of the ALA Bylaws.

2 110. As owners of Arrowhead Woods property, Plaintiffs also invoke paragraph 4 of
3 the '64 Agreement to enforce the easements and servitudes granted to Arrowhead Woods
4 property owners by respectfully requesting that the Court enjoin the ALA from enforcing any
5 rules that unreasonably restrict the access rights of property owners, their lessees, and their
6 guests.

7 111. As owners of Arrowhead Woods property, Plaintiffs further invoke paragraph 4 of
8 the '64 Agreement to enforce the easements and servitudes granted to Arrowhead Woods
9 property owners by respectfully requesting that the Court enjoin the ALA from enforcing any
10 rules that purport to limit Lake and Reserve Strip access to Arrowhead Woods property owners
11 who are members of the ALA.

12 112. Plaintiffs have no adequate remedy at law for the injuries they have suffered and
13 continued to suffer as a result of ALA's interference with and infringement upon their property
14 rights, and they require an injunction to avoid irreparable injury. Plaintiffs are, therefore, entitled
15 to injunctive relief under applicable law, including Code of Civil Procedure sections 526 and 731.

16
17 **SEVENTH CAUSE OF ACTION**

18 **Race and National Origin Discrimination**

19 **in Violation of 42 U.S.C. § 1981 and Civil Code § 52.1**

20 **(Against All Defendants)**

21 113. The allegations contained in the preceding paragraphs 1 through 112 are hereby
22 incorporated by reference as if fully set forth herein.

23 114. The ALA's and the individual defendants' violations of the '64 Agreement clearly
24 lack any rational basis. That is because they are motivated not by rational argument or legal
25 justification, but by racial and national origin discrimination. That discrimination is evinced by
26 the use of code words and phrases like "Keep Lake Arrowhead private" and "white is the color of
27 purity," and by references to vacation lessees as "those people" in phrases like "we don't want
28 those people here." These phrases harken back to the years when such language was used to bar

1 certain racial and ethnic groups from restaurants, neighborhoods, clubs, buses and the like. The
2 discriminatory animus also manifests itself in other indirect but nonetheless insidious ways. The
3 ALA enforcement department regularly targets people of color for their enforcement efforts,
4 whether at its beach clubs or elsewhere in and around the lake. While the population of Lake
5 Arrowhead is nearly 90% white, the individuals detained by the ALA's enforcement group are
6 predominantly non-white. Enforcement officers of the ALA are unabashed in their bigotry,
7 regularly posting racially and ethnically insensitive comments on social media. The defendants
8 are fully aware of these incidents yet refuse to effectively address them, and in so doing ratify that
9 conduct.

10 115. The racial and national origin animus permeates the decisions and conduct of the
11 ALA and individual defendants:

12 a. Board members refer to Asian Americans as "those Orientals" and
13 disparage them for "bad driving."

14 b. ALA enforcement personnel post photos of African-American vacation
15 lessees and describe them as "gang members."

16 c. The ALA has been sued by an African-American family that was denied
17 access to the ALA beach club even before the recent vacation lessee ban.

18 d. At a pre-election ALA board candidate forum, defendant Hall referred to
19 Plaintiff Karakaya, who is ostensibly of middle eastern descent, as a "terrorist," not once,
20 not twice but three times in a single meeting.

21 e. As described above, the ALA's enforcement personnel regularly target and
22 harass people of color who attempt to use the Lake and the Reserve Strips. The ALA and
23 the individual defendants have done nothing to correct any of those ethnically biased
24 insults and in so doing have ratified that discriminatory conduct. To the contrary, the
25 president of the ALA Board, defendant Clifford, responded to notice of the filing of the
26 original complaint in this action during a heavily-attended ALA board meeting by
27 describing the lawsuit as a personal attack on and threat to defendants and their families,
28 then threatening to hold Plaintiffs accountable and inciting the ALA membership to rally

1 behind the defendants and endorse their actions. The individual defendants and ALA
2 have been complicit in and responsible for the discrimination suffered by Plaintiffs and
3 others by authorizing the ALA's enforcement personnel to engage in the aforesaid
4 discriminatory conduct and by refusing to take steps to halt that misconduct.g. The
5 ALA and the individual defendants enacted the ban on vacation lessees as a means of
6 imposing their discriminatory vision of the Lake Arrowhead community and in doing so,
7 they have unlawfully interfered with Plaintiffs' property rights through threats,
8 intimidation, inaction and harassment.

9 116. The conduct of the defendants as alleged herein has deprived Plaintiffs of their
10 rights based upon their race and/or association with and involvement in protecting non-white
11 citizens in violation of 42 U.S.C. § 1981. Title 42 U.S.C. § 1981 provides, in pertinent part:

12 (a) All persons within the jurisdiction of the United States shall have the same
13 right in every State and Territory to make and enforce contracts, to sue, be
14 parties, give evidence, and to the full and equal benefit of all laws and
15 proceedings for the security of persons and property as is enjoyed by white
citizens, and shall be subject to like punishment, pains, penalties, taxes,
licenses, and exactions of every kind, and to no other.

16 117. Specifically, defendants have interfered with and impaired the contractual rights
17 afforded in the '64 Agreement by discriminating, harassing, and retaliating against Plaintiffs
18 because they are racial minorities and members of a protected class or associated with and
19 involved in protecting a member of a protected class in violation of 42 U.S.C. § 1981.

20 118. The discrimination, harassment, and retaliation would not have occurred but for
21 Defendants' racial animus towards Plaintiffs and their lessees and guests.

22 119. The Bane Civil Rights Act, codified at Civil Code § 52.1, also provides a private
23 right of action against any person or persons who "interferes by threat, intimidation, or coercion,
24 or attempts to interfere by threat, intimidation, or coercion, with the exercise or enjoyment by any
25 individual or individuals of rights secured by the Constitution or laws of the United States, or of
26 the rights secured by the Constitution or laws of this state."

27 120. The ALA and individual defendants participated in or failed to intervene in the
28 above-alleged unlawful interference - through threats, intimidation, inaction and coercion -

1 affecting Plaintiffs’ exercise and enjoyment of their property rights guaranteed by (without
2 limitation): Article I §1 of the California Constitution’s protection of the right to acquire, possess,
3 and protect property; the common law interpreting the California Constitution, and the statutes
4 enacted by the state of California.

5 121. As a direct and proximate result of defendants’ unlawful involvement in the
6 above-alleged misconduct, Plaintiffs have and continue to suffer damages in amount to be
7 determined at trial.

8
9 **EIGHTH CAUSE OF ACTION**

10 **Gender Discrimination and Harassment**

11 **in Violation of Civil Code § 52.1 and Code of Civil Procedure § 527.6**

12 **(Against All Defendants)**

13 122. The allegations contained in the preceding paragraphs 1 through 121 are hereby
14 incorporated by reference as if fully set forth herein.

15 123. The ALA’s and the individual defendants’ violation of the ‘64 Agreement are also
16 motivated by discriminatory animus toward women. When women have complained about
17 violations of the ‘64 Agreement and other ALA Bylaws, their complaints have been consistently
18 ignored. (All of the individual Defendants are white males and most are over 50.)

19 124. Plaintiffs and other women have complained about verbal abuse by board
20 members, have complained about ALA Committee members’ sexual harassment, about threats of
21 sexual and other violence and about gender-based election law violations, about gender-based
22 social media abuse by ALA committee members. The defendants have been notified of this
23 harassment by the victims, but defendants have taken no actions to reprimand or otherwise
24 discipline the harassers. Neither have they launched an investigation of the offenders or their
25 conduct, thereby in both ways ratifying their conduct. To the contrary, the president of the ALA
26 Board, defendant Clifford, responded to notice of the filing of the original complaint in this action
27 during a heavily-attended ALA board meeting by describing the lawsuit as a personal attack on
28 and threat to defendants and their families, then threatening to hold plaintiffs accountable and

1 inciting the ALA membership to rally behind the defendants and endorse their actions.

2 125. Specifically, Hall in a public meeting attempted to embarrass and humiliate
3 Plaintiff Karakaya by commenting on her “nice rack.” Hall has also threatened to rape another
4 Arrowhead Woods property owner in an attempt to harass her and in retaliation for complaining
5 about the board’s violations of property rights.

6 126. ALA committee members, appointed by individual defendants and friends and
7 associates of Hall and other defendants, have further harassed Plaintiffs on social media by
8 repeatedly disparaging Plaintiff Karakaya based on her gender by referring to her as the “Ice
9 Queen” and falsely accusing her of being a pedophile. Some of these same committee members
10 appointed by the individual Defendants further harass Karakaya by regularly driving past her
11 house and honking their horns and submitting photos of her home to the local newspapers to
12 encourage further harassment.

13 127. Defendant Hall and ALA committee members appointed by individual defendants,
14 and friends and associates of Hall and other defendants, have further harassed Plaintiffs on social
15 media and in ALA-endorsed mass emails to ALA members by repeatedly and falsely claiming
16 that they seek to make Lake Arrowhead a “public lake” open to anyone and everyone, which is
17 their none-too-subtle code for creating fear that non-whites will be given free and uncontrolled
18 access to the Lake and the shoreline. In so doing, these individuals also repeatedly disparage and
19 misstate the Court’s Order prohibiting the defendants from continuing to violate the ’64
20 Agreement and the property rights of all Arrowhead Woods property owners. Defendants and
21 their agents engaged in this conduct, fully endorsed and enabled by the defendant ALA, by
22 calling out Plaintiffs by name over and over again in a further attempt to harass and intimidate
23 them, and to encourage others to do the same.

24 128. The victims of these abusers, including Plaintiffs, have suffered emotional distress,
25 annoyance and alarm, including fear for their safety, intimidation, and other symptoms. This
26 campaign of harassment and intimidation is part and parcel of the defendants’ plan to blatantly
27 violate the ’64 Agreement and then to silence any and all dissent, particularly from women and
28 people of color like Plaintiffs. Beyond the foregoing misconduct, women’s and non-whites’

1 complaints are routinely ignored, routinely dismissed without investigation as “unfounded,” and
2 even disclosed to the subjects of the complaints without investigation. Those unauthorized
3 disclosures have resulted in further harassment of the complainers by the subjects of the
4 complaint, which harassment has also been disregarded and even been aided and abetted by
5 defendants. To be clear, defendants have not only fully aided and abetted those abusers (and in
6 some cases were themselves the abusers), they have taken no disciplinary action against the
7 offenders, choosing to protect the offenders and themselves with a code of silence.

8 129. The individual defendants have even gone so far as to encourage and support
9 harassing litigation against those who have complained about their actions, providing them with
10 documents and other support. They have even provided legal counsel for the harassers, by having
11 lawyers from the ALA Board’s own general counsel’s law firm represent the plaintiff harassers in
12 that harassing litigation. Neither the Board’s General Counsel nor his firm co-counsel perceive
13 any conflict of interest in representing both the ALA and those individually accused of
14 harassment and other wrongdoing. That fact alone boldly confirms the alliance between the
15 ALA, the board member defendants and the accused harassers.

16 130. Defendants’ involvement in the above-described harassment on the basis of gender
17 constitutes a violation of California Code of Civil Procedure § 527.6(b)(3), which defines
18 harassment as follows:

19 “Harassment” is unlawful violence, a credible threat of violence, or a knowing
20 and willful course of conduct directed at a specific person that seriously
21 alarms, annoys, or harasses the person, and that serves no legitimate purpose.
22 The course of conduct must be such as would cause a reasonable person to
23 suffer substantial emotional distress, and must actually cause substantial
24 emotional distress, to the petitioner.

25 The course of conduct, including intimidation and thinly veiled threats of violence described
26 above, constitute annoyance, alarm and harassment because they would cause a reasonable person
27 to suffer substantial emotional distress, and in fact did cause Plaintiffs - and others who dared to
28 challenge the ALA and individual defendants - to suffer substantial emotion distress.

 131. The Bane Civil Rights Act, codified at Civil Code § 52.1, also provides a private
right of action against any person or persons who “interferes by threat, intimidation, or coercion,

1 or attempts to interfere by threat, intimidation, or coercion with the exercise or enjoyment by any
2 individual or individuals of rights secured by the Constitution or laws of the United States, or of
3 the rights secured by the Constitution or laws of this state.”

4 132. The ALA and individual defendants directly and indirectly participated in or failed
5 to intervene in the above-alleged unlawful interference - through threat, intimidation, and
6 coercion - with Plaintiffs’ exercise and enjoyment of their property rights guaranteed by (without
7 limitation): Article I §1 of the California Constitution’s protection of the right to acquire, possess,
8 and protect property; the common law interpreting the California Constitution, and the statutes
9 enacted by the state of California.

10 133. As a direct and proximate result of defendants’ unlawful involvement in the
11 above-alleged misconduct, Plaintiffs have and continue to suffer damages in amounts to be
12 determined at trial.

13
14 **NINTH CAUSE OF ACTION**

15 **Retaliation in Violation of Public Policy, 42 U.S.C. § 1981, and Civil Code § 52.1**

16 **(Against All Defendants)**

17 134. The allegations contained in the preceding paragraphs 1 through 133 are hereby
18 incorporated by reference as if fully set forth herein.

19 135. Plaintiffs have asserted their rights as Arrowhead Woods property owners under
20 the ‘64 Agreement in multiple hearings before the defendants. The defendants have not only
21 ignored the Plaintiffs’ assertions, they have also retaliated against them in the most vile ways,
22 repeatedly harassing them and attempting to bully and intimidate them. After the terrorist epithet
23 described above, Defendant Hall drove to Karakaya’s home after the meeting, pulled into her
24 driveway and made menacing gestures toward Karakaya’s significant other. Karakaya and her
25 significant other were sufficiently alarmed by this assault that they filed a police report.
26 Karakaya also reported the incident confidentially to defendants Clifford and Mattison, but they
27 took no action to address that retaliatory act. Instead, they provided the confidential complaint to
28 Hall, who then further retaliated against Karakaya by filing a baseless defamation lawsuit against

1 her.

2 136. Hall has also sought to retaliate against Karakaya and other Arrowhead Woods
3 property owners for daring to complain about defendants' acts. In another public meeting, Hall
4 again tried to embarrass and humiliate Karakaya in retaliation for her asserting her property rights
5 by stating to her in that meeting "nice rack."

6 137. Hall has also threatened to rape another Arrowhead Woods property owner in
7 retaliation for complaining about the board's violations of property rights.

8 138. Plaintiffs Jackie McKinley and Christopher Lee have also been retaliated against
9 for asserting their contractual and property rights and for questioning defendants' discriminatory
10 motivations. They have been targeted for a disciplinary hearing for alleged violations of
11 defendants' unlawful and discriminatory bans on use of the Lake and Reserve Strips by Plaintiffs
12 and others and have been denied their due process rights in connection with the hearing and have
13 been expelled from the ALA.

14 139. These retaliatory acts and more have been brought to defendants' attention, but
15 defendants have undertaken no investigation of them and have not reprimanded, disciplined or
16 otherwise expressed their disapproval of these retaliatory acts, thereby ratifying and endorsing
17 them.

18 140. In fact, defendants' retaliatory acts are so widespread and insidious that the ALA's
19 own general counsel's law firm also represents defendant Hall in his retaliatory lawsuits against
20 Karakaya and other Arrowhead Woods property owners who have complained about defendants'
21 unlawful acts.

22 141. ALA committee members, who are appointed by defendants and friends and
23 associates of Hall and other defendants, have further retaliated against Karakaya on social media
24 by repeatedly referring to her as "the Ice Queen" falsely accusing her of being a pedophile. Some
25 of these same individuals further harass Karakaya by regularly driving past her house and
26 honking their horns and submitting photos of her home to the local newspapers to encourage
27 further harassment. Again, these retaliatory acts have been brought to defendants' attention, but
28 they have taken no meaningful acts in response, even ignoring cease and desist letters, thereby

1 ratifying and endorsing those heinous retaliatory acts. To the contrary, the president of the ALA
2 Board, defendant Clifford, responded to notice of the filing of the original complaint in this action
3 during a heavily-attended ALA board meeting by describing the lawsuit as a personal attack on
4 and threat to defendants and their families, then threatening to hold plaintiffs accountable and
5 inciting the ALA membership to rally behind the defendants and endorse their actions.

6 142. In violation of 42 U.S.C. § 1981, the retaliatory conduct of defendants as alleged
7 herein has deprived Plaintiffs of their rights based upon their race or association with and
8 involvement in protecting non-white citizens. Title 42 U.S.C. § 1981 provides, in pertinent part:

9 (a) All persons within the jurisdiction of the United States shall have the same
10 right in every State and Territory to make and enforce contracts, to sue, be
11 parties, give evidence, and to the full and equal benefit of all laws and
12 proceedings for the security of persons and property as is enjoyed by white
citizens, and shall be subject to like punishment, pains, penalties, taxes,
licenses, and exactions of every kind, and to no other.

13 143. Specifically, defendants have interfered with and impaired the contractual rights
14 afforded in the '64 Agreement by retaliating against Plaintiffs because they are non-white, racial
15 minorities and members of a protected class or associated with and involved in protecting a
16 member of a protected class in violation of 42 U.S.C. § 1981.

17 144. The retaliation would not have occurred but for defendants' racial animus towards
18 Plaintiffs and their lessees and guests.

19 145. The Bane Civil Rights Act, codified at Civil Code § 52.1, also provides a private
20 right of action against any person or persons who "interferes by threat, intimidation, or coercion,
21 or attempts to interfere by threat, intimidation, or coercion with the exercise or enjoyment by any
22 individual or individuals of rights secured by the Constitution or laws of the United States, or of
23 the rights secured by the Constitution or laws of this state."

24 146. The ALA and individual defendants directly and indirectly participated in or failed
25 to intervene in the above-alleged unlawful interference - through threat, intimidation, harassment
26 and coercion - with Plaintiffs' exercise and enjoyment of their property rights guaranteed by
27 (without limitation): Article I §1 of the California Constitution's protection of the right to acquire,
28 possess, and protect property; the common law interpreting the California Constitution, and the

1 statutes enacted by the state of California.

2 147. Plaintiffs reasonably believe and understand that the acts defendants committed
3 against Plaintiffs were intended to discourage them from exercising the above civil rights; to
4 retaliate against them for invoking such rights; and/or to prevent them from exercising such
5 rights, and Defendants successfully interfered with the above civil rights of Plaintiffs.

6 148. As a direct and proximate result of defendants' unlawful involvement in the
7 above-alleged misconduct, Plaintiffs have suffered and continue to suffer damages in amount to
8 be determined at trial.

9
10 **TENTH CAUSE OF ACTION**

11 **Private Nuisance**

12 **(Against All Defendants)**

13 149. The allegations contained in the preceding paragraphs 1 through 148 are hereby
14 incorporated by reference as if fully set forth herein.

15 150. At all relevant times, Plaintiffs were the owners of all rights, title and interest in
16 their respective Arrowhead Woods properties.

17 151. Pursuant to the '64 Agreement, Plaintiffs' respective property rights include an
18 easement granting them, their lessees, and house guests access to the Lake and Reserve Strips for
19 private park and reasonable recreational purposes and for ingress and egress by foot.

20 152. The ALA's arbitrary restrictions on the issuance of RFID cards and registration of
21 guests deprive Plaintiffs of their reasonable use and enjoyment of their easement rights and
22 unlawfully obstruct their access to the Lake and Reserve Strips. So too do the harassing,
23 discriminatory and retaliatory acts of Defendants described herein.

24 153. Section C of the ALA's Bylaws prohibiting Plaintiffs' vacation lessees from
25 accessing the Lake and Reserve Strips interferes with and deprives Plaintiffs of their reasonable
26 use and enjoyment of their easement right and unlawfully obstructs their access to the Lake and
27 the Reserve Strips.

28 154. The ALA's arbitrary restrictions on the issuance of RFID cards and registration of

1 guests deprive Plaintiffs of their reasonable use and enjoyment of their easement rights and
2 unlawfully obstruct their access to the Lake and Reserve Strips.

3 155. A reasonable person would be annoyed or disturbed by the ALA's interference
4 with Plaintiffs' use and enjoyment of their property rights.

5 156. Plaintiffs did not consent to the ALA's conduct.

6 157. Plaintiffs have been and continue to be harmed by the ALA interference and
7 infringement upon their easement rights.

8 158. The ALA's conduct is the sole factor in causing interference and infringement
9 upon their easement rights.

10 159. The seriousness of the harm to Plaintiffs' property rights outweighs any public
11 benefit of the ALA's prohibition of access to the Lake and Reserve Strips.

12 160. Plaintiffs have no adequate remedy at law for the injuries they have suffered and
13 continue to suffer as a result of the ALA's interference with Arrowhead Woods property owners'
14 quiet use and enjoyment of their property rights as they extend to their lessees and guests.
15 Plaintiffs are, therefore, entitled to injunctive relief under applicable law, including Code of Civil
16 Procedure sections 526 and 731.

17
18 **ELEVENTH CAUSE OF ACTION**

19 **Public Nuisance**

20 **(Against All Defendants)**

21 161. The allegations contained in the preceding paragraphs 1 through 160 are hereby
22 incorporated by reference as if fully set forth herein.

23 162. The ALA's arbitrary restrictions on the issuance of RFID cards and registration of
24 guests obstruct Plaintiffs' and the entire Arrowhead Woods community's free use of their
25 respective properties. So too do the harassing, discriminatory and retaliatory acts described
26 herein.

27 163. The ALA's adoption of a broad prohibition of vacation lessees of Arrowhead
28 Woods property owners' has obstructed Plaintiffs' and the entire Arrowhead Woods community's

1 free use of their respective properties.

2 164. A reasonable person would be annoyed by the ALA depriving property owners of
3 free use of their property rights.

4 165. The ALA's lessee/guest ban and arbitrary restrictions on guests offer little, if any,
5 social utility. To the contrary, the vacation lessee/guest ban prohibits lawful use of private
6 property.

7 166. Plaintiffs voted against the vacation lessee/guest ban and therefore did not consent.

8 167. Plaintiffs did not consent to limiting the number of RFID cards issued or guests
9 registered or other restrictions on them, their guests and/or their lessees or to being harassed,
10 discriminated against or retaliated against.

11 168. Plaintiffs have suffered harm because the lessee/guest ban and arbitrary
12 restrictions on the number of RFID cards and guests, and the harassment discrimination and
13 retaliation they have experienced, deprive them of their right under the '64 Agreement to extend
14 Lake and Reserve Strip access to their lessees and thereby, unlawfully infringes upon Plaintiffs'
15 easement rights.

16 169. The ALA's adoption of the lessee/guest ban and arbitrary restrictions on the
17 number of RFID cards and guests registered, and the harassment discrimination and retaliation
18 they have experienced, are the cause of Plaintiffs' harm.

19 170. Plaintiffs have no adequate remedy at law for the injuries they have suffered and
20 continue to suffer as a result of the ALA's interference with their rights as Arrowhead Woods
21 property owners to quiet use and enjoyment of their property rights, including, as they extend to
22 their lessees and guests. Plaintiffs are, therefore, entitled to injunctive relief under applicable law,
23 including Code of Civil Procedure sections 526 and 731.

24
25 **PRAYER FOR RELIEF**

26 WHEREFORE, Plaintiffs pray for judgment and relief against Defendant in an amount to
27 be determined at trial plus attorney fees, costs and interest as follows:

28 1. That the Court grant Plaintiffs declaratory relief finding as follows:

1 a. Article II, Section C of the ALA's Bylaws is void and unenforceable
2 insofar as it restricts Arrowhead Woods vacation lessees from accessing the Lake and
3 Reserve Strips as permitted by paragraph 3 of the 1964 Agreement and imposes fines on
4 Arrowhead Woods property owners for the same.

5 b. The ALA may not in the future prohibit Arrowhead Woods vacation
6 lessees from accessing the Lake and Reserve Strips as permitted by paragraph 3 of the '64
7 Agreement;

8 c. The ALA may not deny Lake and Reserve Strip access to Arrowhead
9 Woods property owners who are not members of the ALA.

10 d. The ALA may not interfere with Arrowhead Woods property owners'
11 rights by arbitrarily limiting the number of RFID cards issued and requiring registration of
12 guests.

13 e. The ALA cannot stop and demand identification of Arrowhead Woods
14 property owners and their guests and lessees from using the Reserve Strips and the Lake;
15 and

16 f. The new fences and gates erected in 2020 and 2021 are unreasonable
17 obstructions to Arrowhead Woods property owners' and their guests' and lessees' rights
18 to access the Lake and Reserve Strips and must be removed.

19 2. If the foregoing declaratory relief is denied on the basis that Arrowhead Woods
20 vacation lessees do not have access rights pursuant to the paragraph 3 of the 1964 Agreement, in
21 the alternative, that the Court grant declaratory relief finding as follows: Plaintiffs and their
22 vacation lessees are entitled to a prescriptive easement to use the Lake for reasonable recreational
23 purposes and the Reserve Strips for reasonable recreational purposes and ingress and egress.

24 3. That the ALA be enjoined from:

25 a. Enforcing Article II, Section C or any other regulation prohibiting
26 Arrowhead Woods' guests and lessees from accessing the Lake and the Reserve Strips as
27 permitted by paragraph 3 of the '64 Agreement;

28 b. Restricting Arrowhead Woods property owners, their guests and their

1 lessees who are not members of the ALA from accessing the Reserve Strips and the Lake
2 as permitted by paragraph 3 of the '64 Agreement;

3 c. Enforcing rules that violate paragraph 3 of the '64 Agreement by
4 unreasonably and arbitrarily limiting the number of RFID cards issued to Arrowhead
5 Woods property owners;

6 d. Enforcing rules that violate paragraph 3 of the '64 Agreement by
7 unreasonably requiring Arrowhead Woods property owners to register their guests by
8 name;

9 e. Permitting ALA enforcement personnel to stop and demand that
10 Arrowhead Woods property owners, their lessees, and their guests provide identification;
11 and

12 f. Erecting any new fences or gates restricting access to the Lake and the
13 Reserve Strips.

14 4. That the ALA be required to remove all new fences and gates and RFID access
15 devices erected in 2020 and 2021.

16 5. For damages in an amount to be determined at trial;

17 6. For all reasonable costs allowable by law, including staff time, court costs, experts'
18 fees and other related expenses;

19 7. For reasonable attorneys' fees; and

20 8. For such other and further relief as the Court deems just and proper.

21 Dated: March 10, 2022

ARENTFOX SCHIFF LLP

22
23
24 By: 

25 JOHN P. ZAIMES
26 SARA T. SCHNEIDER
27 JASON M. YANG
28 Attorneys for Plaintiffs
VERTICAL WEB VENTURES, INC., JACKIE
McKINLEY, SELINE KARAKAYA, AND
CHRISTOPHER LEE

3 **PROOF OF SERVICE**

4 I am a citizen of the United States. My business address is ArentFox Schiff LLP, 555 West
5 Fifth Street, 48th Floor, Los Angeles, California 90013-1065. I am employed in the County of Los
6 Angeles where this service occurs. I am over the age of 18 years, and not a party to the within
7 cause.

8 On the date set forth below, according to ordinary business practice, I served the foregoing
9 document(s) described as:

10 **SECOND AMENDED COMPLAINT FOR: (1) BREACH OF CONTRACT;(2)
11 INFRINGEMENT OF PROPERTY RIGHTS; (3) BREACH OF COVENANT OF
12 GOOD FAITH AND FAIR DEALING; (4) INTERFERENCE WITH EASEMENT;
13 (5)DECLARATORY RELIEF; (6) INJUNCTIVE RELIEF; (7) RACE AND
14 NATIONAL ORIGIN DISCRIMINATION AND HARASSMENT; (8) GENDER
15 DISCRIMINATION AND HARASSMENT; (9) RETALIATION IN VIOLATION OF
16 PUBLIC POLICY; (10) PRIVATE NUISANCE; (11) PUBLIC NUISANCE**

17 (BY E-MAIL) On this date, I personally transmitted the foregoing document(s)
18 via my electronic service address (katryn.smith@afslaw.com) to the e-mail
19 address(es) of the person(s) on the attached service list.

20 (BY MAIL) I am readily familiar with my employer's business practice for
21 collection and processing of correspondence for mailing with the U.S. Postal
22 Service, and that practice is that correspondence is deposited with the U.S. Postal
23 Service the same day as the day of collection in the ordinary course of business.
24 On this date, I placed the document(s) in envelopes addressed to the person(s) on
25 the attached service list and sealed and placed the envelopes for collection and
26 mailing following ordinary business practices.

27 (BY PERSONAL SERVICE) On this date, I delivered by hand envelope(s)
28 containing the document(s) to the persons(s) on the attached service list.

(BY OVERNIGHT DELIVERY) On this date, I placed the documents in
envelope(s) addressed to the person(s) on the attached service list, and caused
those envelopes to be delivered to an overnight delivery carrier, with delivery
fees provided for, for next-business-day delivery to whom it is to be served.

(State) I declare under penalty of perjury under the laws of the State of
California that the foregoing is true and correct.

Executed on March 10, 2022 at Garden Grove, California.



Katryn F. Smith

1 *Vertical Web Ventures, Inc., et al. vs. Arrowhead Lake Association, et al.*
2 *CIVSB2120604*

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