

GRIZZLY RANCH ASSOCIATION
Government Code §12956.1

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. 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.

Notice. After January 1, 2022, a Restrictive Covenant Modification form with procedural information for appropriate processing with the Plumas County Clerk-Recorder may be found at the following link:

<https://www.plumascounty.us/DocumentCenter/View/38852/Restrictive-Covenant-Modification-Instructions-and-Forms?bidId=>

Grizzly Ranch Association

TO: Members of the Association
FROM: Board of Directors
RE: Notice of Proposed Amended Rules—Leasing and Renting of Lots
DATE: May 5th, 2026

The purpose of this written notice is to inform you that the Association's Board of Directors is considering adopting revised rules for renting or leasing of lots. This notice is being given to all members in accordance with California Civil Code Sections 4340 et seq.

- 1. Text of the Proposed Rule Change:** The proposed revised Rules for Renting and Leasing of Lots are enclosed ("Rules").
- 2. Purpose and Effect of the Proposed Rule Change:** The Board has determined that it is in the best interest of the Association to permit short term rentals in the development by reducing the minimum lease term from thirty (30) days to two (2) consecutive nights, subject to certain conditions.

The Association will monitor and regulate rentals within the Association, including requiring owners to: (1) provide contact information for the owner and professional rental management company; (2) use a pre-approved rental management company; (3) notify neighbors of their intent to rent out their lots, (4) limit the number of vehicles for renters, (5) pay a rental fee to help offset the added cost of patrols that will be utilized to monitor rentals; and (6) limit activities by renters at the recreational facilities. Owners will continue to have a duty to notify their renters of the Association's rules and regulations, and owners shall remain responsible for their renters' actions subject to all enforcement rights of the Association as provided for in the Governing Documents, particularly Article 10 of the CC&Rs.

The effect of these rules is that owners will be able to rent out their lots for short-term rentals but must satisfy additional conditions to do so, which will provide greater opportunities to rent out lots in Grizzly Ranch without compromising the tranquility and residential nature of Grizzly Ranch. The rules will have an enhanced system for holding owners responsible for the acts and omissions of their tenants, which will help with communications and prevent/address violations of the Association's governing documents.

Civil Code Section 4740 states that a rental prohibition, including a minimum lease term, only applies to owners who take title or ownership of their Lots after the date the prohibition is adopted or amended. **This means all owners of record as of the day the new revised rules are adopted will be exempt from the 2-night minimum lease term; you will be able rent in the future without this restriction but will be required to follow the other requirements for providing the Board with certain rental information, using a rental manager, notifying neighbors, limiting tenant activity, and otherwise complying with the terms in the Declaration and the revised Rules. This is referred to as being a "legacy" owner or being exempt, and this is mandated by California law.** This same legal standard applied to prior versions of the rental rules as well. As soon as you sell your lot, the new owner will be subject to the minimum lease term. Civil Code Section 4740 has exceptions to the change of ownership rule. You are encouraged to consult your own attorney if you have questions regarding the effect of a transfer.

- 3. Notice of Meeting of the Board of Directors to Consider Adoption of the Proposed Rule Change:** The Board of Directors will hold a meeting to consider the adoption of the proposed Rules as indicated below. The Board intends to make its decision at this meeting following consideration of any comments by the members.

Date: June 11th, 2026
Time: 3:30pm
Place: 300 Clubhouse Dr. Portola, CA 96122 & Teams Conference Call

GRIZZLY RANCH ASSOCIATION
Rules for Leasing and Renting of Lots

Revised _____ 2026

Pursuant to Sections 4.5.1 and 5.5 of the *First Restated Declaration of Covenants, Conditions and Restrictions for Grizzly Ranch* (the "CC&Rs" or "Declaration"), the Board has the power and the authority to establish, promulgate, amend, repeal, and enforce such rules and regulations, which shall be known as "Rules", as the Board deems necessary for the management and operation of the Development and the conduct of business and affairs of the Association. The Rules may concern, but need not be limited to, matters pertaining to rental or leasing of Lots (references to Lots includes the Residence thereon.)

Purpose and Findings

The Board has determined that it is in the best interest of the Association to regulate rentals within the Association, and prohibit rentals of less than two (2) consecutive days. The Board finds that short-term rentals will improve the affordability of owning a home in Grizzly Ranch, and will draw more visitors to Grizzly Ranch which may improve home sales and values, without compromising the unique environment and tranquility of Grizzly Ranch. In order to prevent the issues commonly associated with short-term rentals, the rental of Lots shall be subject to the provisions of these Rules and shall be subject to all enforcement rights of the Association as provided for in the Governing Documents, particularly Article 10 of the CC&Rs.

Pursuant to Section 4.5.2 of the CC&Rs, "Any Residence or Residences that have been organized with the approval of the Declarant as a 'time-share project' (as that term is defined in Business & Professions Code §11003.5) and any golf cabin-style Residences (as so designated in a Declaration of Annexation or Supplemental Declaration) shall not be subject to the minimum lease term requirements set forth above or the requirement that a written lease or rental agreement be in effect. In addition, see Section 4.1.3, above." The lots referenced in this provision are formerly known as the "Wolf Tree Cabins", and are located at 115 Clubhouse Drive, 142 Clubhouse Drive, and 156 Clubhouse Drive.

Unless the context indicates otherwise, capitalized terms used herein shall have the same meaning as defined in the CC&Rs.

Application of Rules

1.1 Application of Rules; Leasing and/or Renting. Except as noted in Section 2.1, these Rules apply to all rentals or leases of Lots (references to Lots includes the Residence thereon). Owners may delegate, in accordance with the Governing Documents, their right to use and enjoy the Common Area to an Owner's tenants who reside on the Owners' Lot, provided any rental or lease of the Owners' Lot is for residential purpose only and in compliance with these Rules. It is the intent of these Rules to protect, enhance and maintain the single-family residential atmosphere which exists within the Development.

Rules for Leasing and Renting of Lots

GRIZZLY RANCH ASSOCIATION
Rules for Leasing and Renting of Lots

Revised _____ 2026

2.1 Minimum Lease Term; Maximum Number of Days Per Year. All rentals or leases of Lots shall be for a minimum period of two (2) consecutive nights, except as provided for in Section 4.5.2 of the CC&Rs, as referenced above. This provision takes effect when these Rules are adopted. Accessory Dwelling Units may only be individually rented (separate from the main residence) for a minimum term of thirty (30) days.

2.2 Time Sharing, Club Rentals, or Other Short-Term Rentals. Except as provided for in Section 4.5.2 of the CC&Rs, as referenced above, no Lot, or any portion thereof in the Development shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time-sharing agreement, plan, program, or arrangement, including, without limitation, any so called "vacation license," "travel club," "extended vacation," "peer-to-peer online marketplace," "homestay network" or other system or time-interval arrangement. The term "time-sharing" as used herein shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess any Lot or any portion thereof in the Development rotates among various persons, either corporate, partnership, individual, or otherwise for value exchanged, whether monetary or like-kind-use privileges, per a fixed or floating interval or period.

2.3 Subject to the Governing Documents. Any rental or lease of a Lot shall be subject to the provisions of the Governing Documents, each of which shall be deemed to be incorporated by reference in the rental or lease agreement. Each Owner shall provide any tenant or lessee with a current copy of the summary of important rules, as will be provided by the Association's managing agent, and shall be responsible for compliance of the Owner's tenant or lessee with the Governing Documents during the tenant's or lessee's occupancy and use of the Lot.

The Owner must provide the Association with a written document signed by the tenant acknowledging the tenant has received a copy of the summary of important rules (as provided by the managing agent), agrees to comply with them, and acknowledging that fines may be imposed against the Owner for violations.

2.4 Contact Information. Each Owner who rents or leases his or her Lot shall provide the Association with the contact information for persons who will occupy the Lot. This contact information shall include the names, address, phone numbers and email addresses of each occupant; the physical address of the Lot being rented; the name and contact information (including phone number) for the rental manager; the Owner's mailing address, email address, and a phone number where the Owner can be reached at all times; and the start and end date for the lease. The Association will provide a form containing this information, including the tenants' acknowledgment of receipt of the summary of important rules.

2.5 Owner Responsibility. Each Owner who leases or rents his or her Lot shall be strictly responsible and liable to the Association for the actions of such Owner's tenant in or about the Lots, or Common Area and for their tenant's compliance with the provisions of all Association Governing Documents.

GRIZZLY RANCH ASSOCIATION
Rules for Leasing and Renting of Lots

Revised _____ 2026

The Owner must be available to receive calls and address nuisances within forty-five (45) minutes of receiving a call from the Association.

2.6 Parking; Guests; Common Area Use. Renters shall not bring to the Development more than two (2) vehicles for residences with up to two (2) bedrooms, or three (3) vehicles with residences with three (3) or more bedrooms. Renters shall not bring more than six (6) guests to the Development at a time, and in no event shall guests cause the number of permissible vehicles to be exceeded. Renters shall display parking passes provided by the Association to the rental management company on all vehicles while in the Development.

Renters may not use the Common Area amenities for special events, such as parties or large gatherings.

2.7 Indemnification of Association. Every Owner of a Lot that is occupied by persons other than the Owner pursuant to a lease or otherwise, agrees to and shall indemnify and defend the Association, its officers, Directors, and agents and shall hold them harmless from any cost, loss, claim, or damages of any kind, including but not limited to attorneys' fees arising out of the conduct or presence of the occupants of the Lot, including any such arising or alleged to have arisen out of the enforcement or nonenforcement by the Association of the Governing Documents against such occupants. Without limiting the generality of the foregoing, all costs, including attorneys' fees incurred by the Association to enforce the Governing Documents against such occupants shall be reimbursed to the Association by the Owner, who may be assessed by the Association as a Reimbursement Assessment.

2.8 Rental Fees. Each Owner who leases or rents his or her Lot shall pay an annual rental fee to be established by the Board annually. Such payment shall be made to the Association by January 1 of each year. A failure to pay such fee by the end of January shall subject the Owner to disciplinary action.

2.9 Rental Registration; Reporting. Each Owner who leases or rents his or her Lot shall annually register with the County and obtain a Transitory Occupancy Permit, and shall provide proof of the same to the Association by January 1 of each year. With each renewal registration, Owners shall report the number of days their Lot was rented during the previous year and their gross rental revenue. Owners are required to obtain the signatures of their neighbors on a rental acknowledgment form provided by the Association, informing them of the expected rental duration (short-term or long-term), and providing a way to contact the Owner if there are any issues with the tenants. This includes neighbors on either side of the Lot and across the street. This neighbor acknowledgment must be included in the rental registration form submitted to the Association, but need only be updated if the neighbors sell their home.

At the time of registration, the Association will provide parking passes to the Owner based upon the number of bedrooms their residence has, which the Owner's rental management company will

GRIZZLY RANCH ASSOCIATION
Rules for Leasing and Renting of Lots

Revised _____ 2026

provide to renters when they check in and retrieve from them upon checking out. Replacement parking passes may be obtained for a fee of not less than \$25 per pass, or as may be determined by the Board of Directors. Owners already have key fobs for accessing the recreational facilities and it will be the obligation of the owner to provide the fob to their renters and to recover the same after the rental. Replacement fobs may be obtained for a fee of not less than \$150, or as determined by the Board of Directors.

3.0 Rental Management; Check-In. Each Owner who leases or rents his or her Lot shall utilize the services of a professional rental property management company approved by the Association. The Association will publish a list of approved companies that provide services in the area, charge reasonable rates, and are expected to manage vacation rentals in a manner that reduces disruptions to neighbors.

Renters shall check-in with the rental manager for the Lot prior to occupancy, and at the time of check-in, the rental manager shall provide for necessary forms of access to the development and parking passes.

3.1 Compliance Process. When the Association receives a complaint about or identifies a violation of this rule the Association will investigate as the initial step in the compliance process. The following is a general guideline on how enforcement will proceed, including the fines that may be levied by the Association.

Step 1. The Association will provide notice to the Owner of a disciplinary hearing, which will be delivered to the violating Owner. The Owner will have the opportunity to address the Board during the hearing. If the Board determines a violation has occurred, the fines may be imposed based upon the Association’s general schedule of fines for violations, and/or the Association may suspend rights to use recreational facilities, including deactivating fobs.

Step 2. If the violation continues the Association may exercise its enforcement rights under the Governing Documents and California law.

For nuisance violations, such as loud parties, the Association may contact the Owner by phone and the Owner shall address the issue within forty-five (45) minutes. The Owner may still be subject to further disciplinary measures even if the issue is resolved within this time period.

CERTIFICATE OF SECRETARY

I hereby certify that I am the Secretary of the Association and that the foregoing rules are a true copy of the rules approved by the Board at its meeting held on _____, 2026, at which a quorum of the Directors was present. I further certify that the foregoing rules are in full force and effect; that the same have not been rescinded, nor has it been amended or modified.

Dated: _____, 2026

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By: _____
_____, Secretary