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**Grizzly Ranch Association**  
c/o BAYDALINE & JACOBSEN LLP  
895 University Avenue  
Sacramento, CA 95825  
Attn: John D. Hansen, Esq.

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(Space Above For Recorder's Use)

**FIRST RESTATED DECLARATION**  
**OF**  
**COVENANTS, CONDITIONS, AND RESTRICTIONS**  
**FOR**  
**GRIZZLY RANCH**

**TABLE OF CONTENTS TO  
FIRST RESTATED DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
GRIZZLY RANCH**

	<b>Page Number</b>
RECITALS .....	1
ARTICLE 1 DEFINITIONS.....	2
1.1 Absolute Majority.....	2
1.2 Additional Charges.....	2
1.3 Articles.....	2
1.4 Assessment.....	2
1.5 Association.....	3
1.6 Association Rules.....	3
1.7 Board of Directors or Board.....	3
1.8 Bylaws.....	3
1.9 Common Area.....	3
1.10 Common Expenses.....	3
1.11 Common Facilities.....	3
1.12 Contract Purchaser/Contract Seller.....	4
1.13 Cost Center.....	4
1.14 County.....	4
1.15 Declarant.....	4
1.16 Declaration.....	4
1.17 Design Guidelines.....	4
1.18 Design Review Committee.....	4
1.19 Development.....	4
1.20 Director.....	5
1.21 District.....	5
1.22 Golf Course.....	5
1.23 Governing Documents.....	5
1.24 Improvement(s).....	5
1.25 Lot.....	5
1.26 Map or Subdivision Map.....	5
1.27 Member.....	5
1.28 Owner.....	5
1.29 Planned Development Permit.....	5
1.30 Public Report.....	6
1.31 Record.....	6
1.32 Residence.....	6
1.33 Resident.....	6
1.34 Structure.....	6
1.35 Subsequent Phase Property.....	6
1.36 Supplemental Declaration.....	6
1.37 Swim and Fitness Center or Outpost.....	6
ARTICLE 2 COMMON AREA.....	6
2.1 Purpose of Common Area.....	6
2.2 Owners Non-Exclusive Easements of Enjoyment.....	7
2.3 No Right by Property Ownership to Use the Golf Course.....	8

2.4	Delegation of Use.....	8
2.5	Common Area Construction.....	8
2.6	Utilities Rights and Duties.....	8
2.7	Mechanic's Liens.....	8
2.8	Right of the Association to Make Common Area Boundary Line Adjustments.....	9
ARTICLE 3	EASEMENTS.....	10
3.1	Easements.....	10
3.2	Easements Granted by Board.....	11
3.3	Blanket Utility Easement.....	11
3.4	Maintenance Easement.....	11
3.5	Boundary Changes.....	11
3.6	Easement for Golf Course Maintenance. Intrusion of Golf Balls. Golf Course Watering Over Spray and Water Feature Maintenance.....	11
3.7	Easements in Favor of the Community Services District.....	12
3.8	Conservation Easement.....	13
3.9	Priority of Easements.....	13
3.10	Declarants Rights and Easements.....	13
ARTICLE 4	USE RESTRICTIONS.....	14
4.1	Use of Lots.....	14
4.2	No Partition.....	15
4.3	Restriction on Businesses.....	15
4.4	Offensive Conduct, Nuisances, Noise.....	15
4.5	Rental and Lease of Lots.....	15
4.6	Use of the Common Area.....	17
4.7	Household Pets.....	17
4.8	Requirement of Architectural Approval.....	18
4.9	Machinery and Equipment.....	18
4.10	Temporary Structures.....	18
4.11	Signs.....	18
4.12	Antennas and Satellite Dishes.....	18
4.13	Trash.....	19
4.14	Storage of Materials.....	19
4.15	Parking and Vehicles.....	19
4.16	Driveways and Associated Parking.....	21
4.17	Use of Private Streets in Common Area.....	21
4.18	Garage Sales.....	22
4.19	Garage.....	22
4.20	Power Equipment and Car Maintenance.....	22
4.21	Drainage.....	22
4.22	Clotheslines.....	22
4.23	Landscaping on Lots.....	22
4.24	Trees.....	22
4.25	Activities Affecting Insurance.....	22
4.26	Restriction on Further Subdivision and Severability.....	23
4.27	Heating Systems.....	23
4.28	Restrictions on Burning and Fire Protection Matters.....	23
4.29	Variances.....	24
ARTICLE 5	HOMEOWNERS ASSOCIATION.....	24
5.1	Management and Operation.....	24
5.2	Membership.....	24
5.3	Voting.....	24
5.4	Board of Directors.....	25

5.5	Association Rules.....	25
5.6	Manager and Other Personnel.....	25
5.7	Insurance.....	25
5.8	Association Property.....	25
5.9	Dedication or Transfer of Common Area to Public Agency or Utility.....	25
5.10	Capital Improvements.....	25
5.11	Borrow Money.....	25
5.12	Mortgage of Association Property.....	26
5.13	Mergers and Consolidations.....	26
5.14	Dissolution.....	26
5.15	Limitation of Liability.....	26
ARTICLE 6	ASSESSMENTS AND LIENS.....	26
6.1	Covenant of Owner.....	26
6.2	Creation of Lien.....	27
6.3	Purpose of Assessments.....	27
6.4	Designation of Cost Centers.....	27
6.5	Authority of the Board.....	27
6.6	Annual Assessment.....	27
6.7	Special Assessments.....	29
6.8	Reimbursement Assessments.....	29
6.9	Enforcement Assessments.....	29
6.10	Failure to Fix Assessments.....	30
6.11	Offsets.....	30
6.12	Payment Under Protest.....	30
6.13	Delinquent Assessments.....	30
6.14	Power of Sale.....	30
6.15	Certificate of Satisfaction and Release of Lien.....	30
6.16	Priority.....	31
6.17	Association Funds.....	31
6.18	Waiver of Exemptions.....	31
6.19	Property Exempt from Assessments.....	31
6.20	Owner Assignment of Rents.....	31
ARTICLE 7	DAMAGE OR DESTRUCTION; CONDEMNATION.....	32
7.1	Destruction.....	32
7.2	Condemnation.....	33
ARTICLE 8	MAINTENANCE OF PROPERTY.....	34
8.1	Association Responsibilities.....	34
8.2	Owner Maintenance Obligations.....	35
8.3	Compliance With Architectural Provisions.....	35
8.4	Association Recovery of Costs of Certain Repairs and Maintenance.....	35
8.5	Golf Course Maintenance.....	36
8.6	Cooperative Maintenance Obligations.....	37
8.7	Drainage Structures, Ditches and Swales.....	38
8.8	Owner Liability.....	38
8.9	Community Services District Maintenance Responsibilities.....	38
8.10	Authority for Entry of Lot.....	39
8.11	Association Liability.....	39
8.12	Board Discretion.....	39
8.13	Cooperative Maintenance Obligations.....	39
ARTICLE 9	ARCHITECTURAL CONTROL.....	39
9.1	Submission of Plans and Specifications.....	39
9.2	Minimum Construction Standards.....	40

9.3	Establishment and Composition of Design Review Committee, Generally.....	40
9.4	Duties.....	41
9.5	Terms of Office of Design Review Committee Members.....	41
9.6	No Compensation for Services; Reimbursement of Expenses.....	41
9.7	Meetings.....	41
9.8	Design Guidelines.....	42
9.9	Application.....	43
9.10	Delivery of Plans and Specifications.....	43
9.11	Expert Review; Employment of Architect or Engineer.....	43
9.12	Basis for Approval of Improvements.....	44
9.13	Form of Approval.....	45
9.14	Time for Design Review Committee Action.....	45
9.15	Board Review.....	45
9.16	Modifications to Approved Plans Must Also Be Approved.....	45
9.17	Commencement.....	46
9.18	Completion.....	46
9.19	Failure to Complete Work.....	46
9.20	Inspection.....	47
9.21	Landscaping.....	47
9.22	Non-Waiver.....	47
9.23	Estoppel Certificate.....	48
9.24	Notice of Noncompliance.....	48
9.25	Liability.....	48
9.26	Limitation on Liability.....	48
9.27	Compliance with Governmental Requirements.....	49
9.28	Variances.....	49
9.29	Compliance Certificate.....	49
ARTICLE 10	ENFORCEMENT.....	49
10.1	Violations as Nuisance.....	49
10.2	Violation of Law.....	50
10.3	Owners' Responsibility for Conduct and Damages.....	50
10.4	No Avoidance.....	50
10.5	Rights and Remedies of the Association.....	50
10.6	Disciplinary Rules.....	51
10.7	Emergency Situations.....	51
10.8	Alternative Dispute Resolution.....	51
10.9	Non-Waiver.....	51
10.10	Notices.....	51
10.11	Costs and Attorneys' Fees.....	52
10.12	Indemnification.....	52
ARTICLE 11	MORTGAGEE PROTECTION.....	52
11.1	Assessment Lien Subordinated.....	52
11.2	Amendment of This Declaration.....	52
11.3	Default by Owner; Mortgagee's Right to Vote.....	52
11.4	Breach: Obligation After Foreclosure.....	52
11.5	Right to Examine Books and Records of the Association.....	53
11.6	Declaration to Conform with Mortgagee Requirements.....	53
ARTICLE 12	ANNEXATION, SUPPLEMENTAL DECLARATION.....	53
12.1	Annexations, Generally.....	53
12.2	Unilateral Annexations.....	53
12.3	Other Annexations.....	54
12.4	Conveyances of Common Area.....	54

12.5	Declaration of Annexation.....	54
12.6	Supplemental Declarations.....	55
12.7	Reconciling Conflicts Among Documents.....	57
12.8	De-Annexation and Amendment.....	57
12.9	Taxes and Assessments.....	57
12.10	Character of Common Area Improvements.....	57
12.11	Infrastructure Improvements.....	57
12.12	Effect of Annexation.....	57
12.13	Amendment of Annexation Provisions.....	58
ARTICLE 13	GOLF COURSE.....	58
13.1	Lots and Parcels Abutting Golf Courses.....	58
13.2	Resulting from Proximity to Golf Course.....	58
13.3	Golf Course Entry.....	60
13.4	No Representations or Warranties.....	60
13.5	Right to Use the Golf Course.....	60
13.6	Amendment.....	60
ARTICLE 14	AMENDMENT.....	60
14.1	Amendments by Members.....	60
14.2	Additional Approvals for Amendments to Particular Provisions.....	61
14.3	Right of Amendment of Requested by Governmental Mortgage Agency or Federally Chartered Lending Institutions.....	61
14.4	Right of Amendment if Requested by Plumas County.....	62
14.5	Restatements.....	62
14.6	Department of Real Estate.....	62
14.7	Mortgagee Approval.....	62
14.8	Amendments by Board.....	62
ARTICLE 15	DECLARANT PRIVILEGES AND EXEMPTIONS.....	63
15.1	Interest of the Declarant; Material Actions Requiring Declarant Approval.....	63
15.2	Exemptions from Restrictions Otherwise Applicable.....	64
15.3	Rights to Use Common Areas and Common Facilities in Connection With Development and Sales.....	64
15.4	Amendment of Plans.....	64
15.5	Right to Enforce Design Review and Approval Requirements.....	64
15.6	Termination of Any Responsibility of Declarant.....	65
ARTICLE 16	GENERAL PROVISIONS.....	65
16.1	Headings.....	65
16.2	Severability.....	65
16.3	Liberal Construction.....	65
16.4	Number; Gender.....	65
16.5	County Requirement.....	65
16.6	Easements Reserved and Granted.....	65

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**FIRST RESTATED DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
GRIZZLY RANCH**

This First Restated Declaration of Covenants, Conditions, and Restrictions for Grizzly Ranch is made by the Grizzly Ranch Association, a California nonprofit mutual benefit corporation (the "Association").

**RECITALS**

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A. The Association is an "association", as that term is defined in California Civil Code Section 4080 which has been created to manage the common interest development located in Plumas County, State of California commonly known as the Grizzly Ranch (the "Development") and more particularly described in Exhibit "A".

B. The original developers of the Development, Grizzly Creek Development, LLC ("Original Declarant"), executed a document entitled "Declaration of Covenants, Conditions, and Restrictions for Grizzly Ranch", which was recorded on December 3, 2003 as Document No. 2003-0014465 in the Office of the Plumas County Recorder, which was amended by the First Amendment of Declaration of Covenants, Conditions and Restrictions, which was recorded on December 30, 2003, as Document No. 2003-0015286 in the Office of the Plumas County Recorder, and by the First Amendment to Declaration of Covenants, Conditions and Restrictions for Grizzly Ranch, which was recorded on September 17, 2015, as Document No. 2015-0005669 in the Office of the Plumas County Recorder (the "Original Declaration").

C. The Original Declaration established certain limitations, easements, covenants, restrictions, conditions, liens, and charges which run with and are binding upon all parties having or acquiring any right, title, or interest in the real property comprising the Development.

D. The "Declarant [Original]", as that term is defined in the Original Declaration, no longer owns any property within the Development. GR Declarant, LLC, is the "Declarant" as that term is defined in the Original Declaration, pursuant to the "Assignment of Declarant's Rights under the Declaration of Covenants, Conditions and Restrictions for Grizzly Ranch," recorded on June 18, 2014, as Document No. 2014-0003441, in the Official Records of the Plumas County Recorder's Office.

E. At least (i) fifty-one percent (51%) of the total voting power of the Association; and (ii) fifty-one percent (51%) of the total Voting Power held by Members other than the Declarant voted to amend, restate, and supersede the Original Declaration pursuant to Section 19.02 of the Original Declaration. The Declarant has given its consent and approval to the terms of this Declaration and the concurrently adopted Restated Bylaws as set forth in Exhibit "D" in accordance with Section 19.02(b)(i) of the Original Declaration.

**NOW, THEREFORE**, it is hereby declared as follows:

1. The Original Declaration is hereby amended, restated and superseded in its entirety to read as set forth in this Declaration.

2. All of the real property comprising the Development constitutes a "planned development", as that term is defined in California Civil Code Section 4175.

3. All of the real property comprising the Development is held and owned and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the Development and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the real property comprising the Development and any part thereof.

4. All of the covenants, conditions, and restrictions set forth in this Declaration shall constitute enforceable equitable servitudes as provided in California Civil Code Section 5975, shall constitute covenants that shall run with the real property comprising the Development, and shall be binding upon and inure to the benefit of each Owner of any portion of such real property or of any interest therein and their heirs, successors, and assigns.

5. Also included within the boundaries of the Development, but not included within the Grizzly Ranch common interest development is real property, approximately 188 ± acres in size and more particularly described in Section 1.22, below, which is being developed as an 18 hole golf course and related facilities and improvements (collectively referred to herein as the "Golf Course"). Membership in any golf club that may be established with respect to the Golf Course and any other use or enjoyment of the Golf Course is subject to the control of the owner of the Golf Course, and may include non-resident golf memberships sold to members of the general public. Nevertheless, various provisions of this Declaration are for the benefit of the owner of the Golf Course and may not be amended or deleted without the consent of the owner of the Golf Course. Those provisions are identified in Article 13 below. Declarant may in the future arrange and participate in tournaments at the Golf Course, invitees to which may include guests of the Declarant or the owner of the Golf Course.

## **ARTICLE 1 DEFINITIONS**

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1.1 Absolute Majority. "Absolute Majority" shall mean a majority of the Members of the Association.

1.2 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures, including without limitation, interest, late charges, attorneys' fees, recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments, fines, and/or penalties.

1.3 Articles. "Articles" shall mean the Articles of Incorporation of the Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

1.4 Assessment. "Assessment" shall mean a charge levied by the Association against an Owner and his or her Lot as provided in Article 6 of this Declaration. "Assessment" shall include any or all of the following:

1.4.1 Annual Assessments, which shall have the meaning set forth in Section 6.6 of this Declaration.



1.4.2 Enforcement Assessments, which shall have the meaning set forth in Section 6.9 of this Declaration.

1.4.3 Reimbursement Assessments, which shall have the meaning set forth in Section 6.8 of this Declaration.

1.4.4 Special Assessments, which shall have the meaning set forth in Section 6.7 of this Declaration.

1.5 Association. "Association" shall mean the Grizzly Ranch Association, a California non-profit mutual benefit corporation, its successors and assigns.

1.6 Association Rules. "Association Rules" shall mean rules and regulations regulating the use and enjoyment of the Common Area which may be adopted by the Board from time to time.

1.7 Board of Directors or Board. "Board of Directors" or "Board" shall mean the governing body of the Association.

1.8 Bylaws. "Bylaws" shall mean the Bylaws of the Association as they shall be adopted by the Board of Directors and Members and any duly-adopted amendments thereof.

1.9 Common Area. "Common Area" shall mean all real property owned, controlled or maintained by the Association for the common use and enjoyment of the Owners. Unless the context clearly indicates a contrary intent, any reference herein to the "Common Areas" shall also include any Common Facilities located thereon. The Common Area does not mean or include property that may be described as common area in any Supplemental Declaration pertaining to a separate residential subdivision within a particular Phase of the Development if that common area is owned, managed or controlled by a separate Sub-Association with jurisdiction solely within that subdivision Phase. If Common Areas are included in any Subsequent Phase Property, the Declaration of Annexation or Supplemental Declaration relating to that Subsequent Phase Property shall amend this section to include the newly annexed Common Area property.

1.10 Common Expenses. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Development and any reasonable reserve for such purposes as found and determined by the Board and all sums designated Common Expenses by or pursuant to the Governing Documents.

1.11 Common Facilities. "Common Facilities" shall mean the gatehouse structure, six (6) gates providing access to/from the Development, Sales Office structure and mail boxes located just off Grizzly Ranch Road prior to the gatehouse structure, a Swim and Fitness Center, the barbeque and picnic green, the golf cart/pedestrian/bicycle bridge over Grizzly Road, landscaping in portions of the Common Areas, a network of hiking and biking trails throughout the Development, the Outpost and Outpost Green including facilities thereon, and the other landscaping, fences, utilities, berms, pipes, lines, lighting fixtures, buildings, structures and facilities constructed or installed, or to be constructed or installed, or currently located within the Common Area and owned by the Association. The Golf Course is not a Common Facility.

1.12 Contract Purchaser/Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller, respectively, under an installment land contract in which title to the property is transferred after the final installment payment is made.

1.13 Cost Center. "Cost Center" shall mean a designation assigned by the Association to a discrete portion or Phase of Grizzly Ranch (and to the Owners of Lots located therein) for the purpose of expense accounting and Assessment, all as more particularly provided in Sections 6.4 and 6.7.4, below. A Cost Center is likely to be created when the Association is maintaining property or Common Facilities located within the designated Cost Center area which are fully or partially restricted to Owners of the Lots within the Cost Center.

1.14 County. "County" shall mean the County of Plumas.

1.15 Declarant. "Declarant" shall mean GR Declarant, LLC, pursuant to the "Assignment of Declarant's Rights under the Declaration of Covenants, Conditions and Restrictions for Grizzly Ranch," recorded on June 18, 2014, as Document No. 2014-0003441, in the Official Records of the Plumas County Recorder's Office. The term "Declarant" shall also mean any successor or assign of Declarant, if (i) a certificate, signed by Declarant and Declarant's successor or assign, has been recorded in the County in which the successor or assign assumes the rights and duties of Declarant to some portion of Grizzly Ranch or (ii) such successor or assign acquires all of Grizzly Ranch and the remainder of the Overall Property then owned by a Declarant which must be more than one Lot.

There may be more than one Declarant at any given time; provided, however, that in the case of multiple Declarants, each Declarant, other than the principal Declarant, shall be a Declarant only with respect to those portions of Grizzly Ranch common interest development that is owned by that Declarant and the rights and obligations of the Declarant with respect to the Association and its Members shall be exercised as agreed among the co-Declarants with the consent of the Department of Real Estate.

A Declarant shall cease being a Declarant when both of the following conditions exist: the Declarant no longer owns any portion of Grizzly Ranch and no Subsequent Phase Property exists that is still the subject to a unilateral right of annexation in favor of the Declarant pursuant to Section 12.2, below. Unless the designation of "principal Declarant" is assigned to another entity by a certificate executed and recorded as stated above, GR Declarant, LLC shall be the principal Declarant if there are more than one Declarant.

1.16 Declaration. "Declaration" shall mean this instrument, as it may be amended from time to time.

1.17 Design Guidelines. "Design Guidelines" shall mean the document by that name approved by the Board of Directors setting forth the procedural rules and plan submission requirements of the Design Review Committee, as well as specific construction and improvement requirements that must be observed with respect to Lot Improvement projects within Grizzly Ranch. See Section 9.8, below.

1.18 Design Review Committee. "Design Review Committee" shall mean the committee created pursuant to Article 9 of this Declaration.

1.19 Development. "Development" shall mean all the real property described in Recital "A" of this Declaration as well as such other real property as may hereafter be brought within the jurisdiction of the Association.

1.20 Director. "Director" shall mean a member of the Association's Board of Directors.

1.21 District. "District" shall mean the Grizzly Ranch Community Services District, a public agency, which has jurisdiction within the Grizzly Ranch common interest development. The District was formed pursuant to California Government Code section 61000 et seq, with all powers required for development of Grizzly Ranch (see also Section 8.9, below). If at any time the District is altered in form or composition, the term District shall also refer to any successor or replacement entity.

1.22 Golf Course. "Golf Course" shall mean certain real property more particularly described in Exhibit "B", and the golf course fairways, clubhouse (with dining, pro shop and locker rooms for men and women), practice facilities (including driving and short game ranges and putting greens), golf cart storage facilities, tees, greens, roughs, lakes, golf cart paths, ponds, streams, waterfalls and other facilities or properties owned, managed or maintained by the owner of the Golf Course. The Golf Course is not a Common Facility and will be owned and operated by a separate entity that is referred to herein as the "Golf Club".

1.23 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, Association Rules (including the Design Guidelines), Election Rules and the policies and resolutions duly adopted by the Board and distributed to the Members.

1.24 Improvement(s). "Improvement(s)" shall mean, without limitation, any improvement or project undertaken or contemplated by an Owner within any portion of Grizzly Ranch involving the construction, installation, alteration or remodeling of any Residence structures, garages, out buildings, walls, fences, swimming pools, landscaping, landscape structures, patio awnings, solar heating equipment, spas, antennas, television satellite reception equipment, utility lines or any other structure of any kind. Improvement projects are subject to design review and approval pursuant to Article 9, below. The term "Improvement" shall not include any work or project that is confined entirely to the interior of a Residence or other building, unless the project will result in use of the Lot for purposes or activities that are not incidental to the primary use of the Lot for residential dwelling purposes.

1.25 Lot. "Lot" (also referred to as "Homesite") shall mean any plot of land shown upon any Subdivision Map, with the exception of the Common Area.

1.26 Map or Subdivision Map. "Map" or "Subdivision Map" shall mean that subdivision map entitled means the map for any portion of Grizzly Ranch.

1.27 Member. "Member" shall mean an Owner.

1.28 Owner. "Owner" shall mean any person, firm, corporation or other entity in which fee title to a Lot which is governed by this Declaration is vested as shown by the official records of the office of the Plumas County recorder, including Contract Sellers, but excluding Contract Purchasers and excluding those having such interest merely as security for the performance of an obligation. Where the context requires, the term "Owner" shall include the members of the Owner's household and the Owner's guests, tenants/lessees and invitees; provided, however, that such persons are not "Owners" for purposes of exercising voting rights in the Association.

1.29 Planned Development Permit. "Planned Development Permit" means that certain permit number 1-99/00-4 issued by the County of Plumas to the Declarant and dated June 21, 2000, as amended

on September 12, 2000, January 10, 2001, and August 14, 2002, and as said Permit may be later amended or supplemented.

1.30 Public Report. "Public Report" means a final subdivision public report issued by the Department of Real Estate in compliance with California Business and Professions Code sections 11000 et seq., or any similar California statute hereafter enacted.

1.31 Record. "Record" shall mean, with respect to any document, the recordation or filing of such document in the office of the Plumas County recorder.

1.32 Residence. "Residence" shall mean a residential structure located upon a Lot which is designed for human residential use and occupancy.

1.33 Resident. "Resident" shall mean any person who resides in a Residence within the Development whether or not such person is an Owner as defined in Section 1.28 of this Declaration.

1.34 Structure. "Structure" shall mean any tangible thing or device to be fixed permanently or temporarily to real property including, without limitation, any dwelling, as defined herein, building, garage, driveway, bikeway, walkway, concrete pad, asphalt pad, gravel pad, porch, patio, shed, greenhouse, bathhouse, tennis court, pool, spa, barn, stable, fence, wall, pole, sign, antenna, sprinkling system, tent, or commercial building.

1.35 Subsequent Phase Property. "Subsequent Phase Property" shall mean portions of the property originally called the "Overall Property" that are not initially subjected to this Declaration, which may, from time to time, be subjected to this Declaration by annexation in accordance with Article 12, below. The Subsequent Phase Property is described in Exhibit "C". Any portion of property included in the Overall Property that is not at a particular time subject to this Declaration is referred to as "Subsequent Phase Property". There is no assurance that any portion of the Subsequent Phase Property will be annexed to this Declaration, or, if annexed, that such property will be subject to exactly the same covenants, conditions and restrictions set forth herein.

1.36 Supplemental Declaration. "Supplemental Declaration" shall mean any declaration (as defined in California Civil Code Section 4135) which supplements this Declaration and which may affect solely a Condominium Project, a Planned Development or some other Phase of the Overall Property. Supplemental Declarations may be entitled "Amendments to Declaration" in order to satisfy County Recording requirements.

1.37 Swim and Fitness Center or Outpost. "Swim and Fitness Center", also referred to as the "Outpost", shall mean the recreational swim and fitness facilities to be located within the Development, which includes a social pool, and hot tub.

## **ARTICLE 2 COMMON AREA**

---

2.1 Purpose of Common Area. Subject to the provisions of the Declaration, the Common Area is held and maintained by the Association, and is used to meet the common interests of the Owners, the members of the Owners' households, and the Owners' tenants, resident Contract Purchasers, and guests as provided in the Governing Documents.

2.2 Owners Non-Exclusive Easements of Enjoyment. Every Owner shall have a non-exclusive easement of use of and enjoyment in, to, and throughout the Common Area, including ingress and egress to and from his or her Lot. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Lot, subject to the following rights and restrictions:

2.2.1 The right of the Board to establish and enforce reasonable Rules governing use of the Common Area.

2.2.2 The right of the Board, as more particularly addressed in the Bylaws, to suspend an Owner's right to use Common Facilities located on the Common Area for: (a) any period during which any Assessment against such Owner's Lot remains unpaid; and/or (b) for violations of the Governing Documents by an Owner or any person for whom an Owner is responsible.

2.2.3 The right of the Board, as set forth in Section 3.2 of this Declaration, to grant easements and rights of way in, on, over, or under the Common Area.

2.2.4 The right of the Board to sell, dedicate, or transfer all or any part of the Common Area, subject to the requirements of Section 5.8 and Section 5.9.

2.2.5 The right of the Board to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and facilities thereon as security for money borrowed by the Association.

2.2.6 The right of the Board to borrow money in accordance with the Governing Documents.

2.2.7 The right of the Association, through its authorized agents, to enter any Lot or Residence to perform its obligations under this Declaration, including obligations with respect to construction, maintenance, repair or replacement for the benefit of the Common Area or the Owners in common, or to make necessary repairs that the Lot Owner has failed to perform. The right shall be immediate in case of an emergency originating in or threatening such Residence or Lot and the obligation can be performed whether or not the Owner is present.

2.2.8 The right of the Association to establish, construct, maintain, repair and replace facilities upon the Common Area including without limitation recreation facilities, storage facilities and workshops, which may be necessary or convenient in the discharge of the Association's duties and the exercise of its rights under the Governing Documents.

2.2.9 The right of the Association to grant exclusive use of a portion of the Common Area to an Owner, if approved by an Absolute Majority of the Members, unless Member approval is not required pursuant to California law.

2.2.10 The right of the Association to limit the number of guests of Members who may use any recreational Common Facilities situated within the Common Area so as to avoid an overburdening of those Facilities. The Association shall also be empowered to regulate or prohibit access altogether to Common Areas that are subject to a conservation

easement or are otherwise considered environmentally sensitive. Such areas may be identified by appropriate signage and/or protective fencing.

2.2.11 The right of the Association to enter into agreements that shall permit non-members of the Association to use the Swim and Fitness Center. The other recreational facilities of Grizzly Ranch shall not be subject to such agreements and use by non-Members.

2.3 No Right by Property Ownership to Use the Golf Course. Ownership of a Lot within the Development shall not confer any property rights or rights of access, use or enjoyment in and to the Golf Course, which is not a part of the Grizzly Ranch common interest development. There is no guarantee that the Golf Course will be operated as such indefinitely. Accordingly, neither being an Owner of a Lot within Grizzly Ranch nor being a Member of the Association shall confer any property rights, ownership interest, or rights of access, use or enjoyment in and to the Golf Course; provided, however, that the Association and Members shall have access to the fishing pond and fishing pavilion pursuant to the easement described in Section 8.5.3, below. Rights to use and enjoy the Golf Course are within the exclusive control of the owner of the Golf Course property and will be given by such owner to such persons, including without limitation, members of the general public, and on such terms and conditions as the owner of the Golf Course may determine from time to time. The owner of the Golf Course may amend or waive its determinations and policies with respect to use of the Golf Course property at any time. See also Article 13, which also pertain to access to the Golf Course and other golf facilities.

Neither the Association nor any Owner shall have any right of entry onto the Golf Course property without the prior consent of the owner of the Golf Course, unless an Owner's right of entry results from an Owner's status as a golfer who is playing the course with the permission of the owner of the Golf Course.

2.4 Delegation of Use. Any Owner may delegate his or her rights to use and enjoy the Common Area and Common Facilities to his or her family members or tenants, lessees or contract purchasers who reside in the Residence, subject to Section 4.5 below and any Rules adopted by the Board.

2.5 Common Area Construction. Except as may be authorized by the Board, no person or entity other than the Association or its duly-authorized agents: (a) shall construct, reconstruct, refinish, alter, or maintain any Improvement upon the Common Area; (b) shall make or create any excavation or fill upon the Common Area; (c) shall change the natural or existing drainage of the Common Area; or (d) shall plant, remove, or destroy any seed, plant material, tree, shrub, or other vegetation upon the Common Area.

2.6 Utilities Rights and Duties. Whenever sanitary sewer, water, electric, gas, television receiving, telephone lines or other utility connections or drainage systems are located or installed within the Development, the Owner of each Lot served by said connections shall be entitled to the use and enjoyment of such portions of said connections as served his or her Lot. Every Owner shall maintain all utility installations located in or upon his or her Lot except for those installations specifically arranged to be maintained by the Association, District, or utility companies, public, or private, or the county. Utility companies shall have the right, at reasonable times after reasonable notice to enter upon the Development to discharge any duty to maintain Developments utilities.

2.7 Mechanic's Liens. In the event there shall be filed against the Common Area a Notice of Mechanic's Lien for, or purporting to be for, labor or materials alleged to have been furnished or delivered

for any Owner or his or her Lot, such Owner shall immediately cause such lien to be discharged by payment, bond, or otherwise. If the Owner fails to cause the lien to be discharged, the Board may send written notice to the Owner specifying that unless the Owner causes the lien to be discharged within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five (5) day period, the Owner shall be granted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At that time, the Board shall determine whether the lien adversely and improperly affects and encumbers the rights and interests of the Association or the other Owners. If the Board determines that the lien does adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond, or otherwise. The Board shall have the right to levy a Reimbursement Assessment against the Owner responsible for causing the lien to be discharged in an amount equal to all amounts paid by the Association together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees.

2.8 Right of the Association to Make Common Area Boundary Line Adjustments. With the exception of any Common Areas designated as Open Space or Wetland Mitigation Areas, and subject to the restrictions stated in this section, the Board of Directors shall have the power and authority to convey fee interests in portions of the Common Area and to make minor adjustments in the boundary lines between Lots or between Lots and any Common Area when the Board, in its reasonable discretion, finds that any such conveyance or boundary line adjustment is necessary to: (a) eliminate the encroachment of Golf Course improvements on the adjacent Common Area; (b) conform the boundaries of a Lot, the Golf Course or Common Area to the natural contour of the land for purposes of permitting or promoting an efficient division of maintenance responsibilities between the Owners, the owner of the Golf Course and/or the Association; or (c) to account for on-site conditions or unique topographic features discovered during the course of development. Such conveyances of Common Area and boundary line adjustments may be made with any Owner of adjacent property or the owner of the Golf Course.

The party receiving a conveyance pursuant to this section shall take the land so conveyed free of any requirement that such lands be devoted to use as Common Area. Any conveyance pursuant to this subparagraph shall conform to a final map or a parcel map approved by the County, comply with all applicable governmental Lot line adjustment procedures, and require the consent of all owners of lands directly involved in the adjustment. So long as the Declarant owns any Lots in Grizzly Ranch, the Association's rights hereunder may only be exercised with the prior written consent of the Declarant

Upon such a conveyance, such lands may be used for any purpose not prohibited by the Declaration and which is otherwise permitted by law; provided that discussion of the intended use or uses thereof occurred in a meeting of the Board of Directors and reference to such discussion is made in the minutes of such meeting.

The Association's authority hereunder shall not extend to any Common Area that is designated on any Subdivision Map as Open Space or as a Wetland Mitigation area. In addition, transfers of fee estates in any portion of the Common Area to a Lot pursuant to this section shall not exceed two thousand (2,000) square feet. Subject to the foregoing square footage limitation, the Association shall also be authorized and empowered to record an instrument designating portions of the Common Area as "exclusive use common area", as defined in California Civil Code Section 4145 for the benefit of an appurtenant Lot, in lieu of conveying a fee interest in the portion of the Common Area that is being designated as exclusive use common area.

## ARTICLE 3 EASEMENTS

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3.1 Easements. In addition to any and all other easements contained in this Declaration, the properties shall be subject to the following easements:

3.1.1 Owners' Easements. Every Owner shall have a right and nonexclusive easement of enjoyment in and to the Common Area, including ingress and egress to and from his or her Lot. Each such nonexclusive easement shall be appurtenant to and shall pass with the title to the Lot, subject to the following provisions:

3.1.1.1 Article 10 of this Declaration authorizes the Board to impose monetary penalties, temporary suspensions of an Owner's rights as a member of the Association or other appropriate discipline for failure to comply with the Governing Documents provided that the established procedures are followed for notice and hearing which satisfy the minimum requirements of Corporations Code Section 7341, as applicable, and are followed with respect to the accused member before a decision to impose discipline is reached.

3.1.1.2 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the members agreeing to such dedication or transfer has been recorded, provided, however, that no such dedication shall impair the ingress and egress to any individual Lot.

3.1.2 Easements for Utilities and Maintenance. Easements over and under the Development for the installation, repair and maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, heating facilities, cable or master television antenna lines, drainage facilities, walkways and landscaping as shown on the recorded map of the property, and as may be hereafter required or needed to service the Development, are hereby reserved by the Association and applicable utility companies, together with the right to grant and transfer the same. There shall be no obstruction of the easements.

3.1.3 Encroachment Easements. Each Lot within the Development is hereby declared to have an easement over all adjoining Lots and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots or Common Area shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.



3.1.4 Entry for Repairs. The Board may authorize its agents and employees to enter upon any Lot when necessary in connection with any maintenance, landscaping or construction for which the Association is responsible, to effect emergency repairs or to effect necessary repairs which the Lot Owner has failed to perform as required by this Declaration. Such entry shall be made with as little inconvenience to the Owner as practicable and any damage caused thereby shall be repaired by the Board at the expense of the Association. Except in case of an emergency, twenty-four (24) hour advance notice shall be given to the Owner or occupant.

3.2 Easements Granted by Board. The Board shall have the power to grant and convey to any person or entity easements and rights of way, in, on, over, or under the Common Area for the purpose of: (a) constructing, erecting, operating, or maintaining thereon, therein, or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, internet, power, telephone, public sewers, storm drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities; and (b) for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association. Each purchaser, in accepting a deed to a Lot, expressly consents to such easements and rights of way. No such easements may be granted if they would materially interfere with the use, occupancy, or enjoyment by an Owner or Resident of his or her Lot without the consent of the affected Owner of the Lot.

3.3 Blanket Utility Easement. There is hereby created a blanket easement upon, across, over and under the Common Areas for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones, drainage and electricity and the master television antenna or cable television system. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Common Area at locations approved by the Design Review Committee. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said Development except as initially designed and approved by the Declarant or thereafter approved by the Association's Design Review Committee. The easements provided for in this section shall in no way affect any other Recorded easement within the Development.

3.4 Maintenance Easement. An easement is hereby granted to the Association, its officers, agents, employees, and to any contractor selected by the Association to enter in or to cross over the Common Area and any Lot to perform the Association's duties of maintenance and repair of the Lots, Common Areas, and Common Facilities as provided herein.

3.5 Boundary Changes. An easement shall exist for use and maintenance as Common Area over any portion of a Lot which, because of a change in the boundary of a private structure, including a fence, wall or patio, at the time of original construction lies between that boundary and a Lot line abutting the Common Area.

3.6 Easement for Golf Course Maintenance. Intrusion of Golf Balls. Golf Course Watering Over Spray and Water Feature Maintenance. There is reserved for the benefit of the owner of record of the Golf Course, a non-exclusive right and easement appurtenant to the Golf Course as the dominant tenement, and burdening Lots and Common Areas as the servient tenement, for purposes of:

3.6.1 Over spray in connection with the watering of the roughs, fairways and greens on the Golf Course;

3.6.2 Maintenance of a clean, attractive fairway edge and transition from the Golf Course to the unimproved areas, if any, of adjacent Lots;

3.6.3 Intrusion of golf balls from the roughs, fairways and greens; and

3.6.4 Ingress and egress over, under and across the Common Areas, the Common Facilities and Lot parcel numbers 97, and 103 through 108 for the maintenance of water features located throughout the Development, including the streams, waterfalls, creeks, and fishing pond.

Any person or entity for whose benefit the right and easement for overspray is reserved shall not be liable to any Owner or the Association for any damage to person or property occasioned by such overspray or intrusion of golf balls.

The rights and easements reserved by this section shall be for the benefit the owner of the Golf Course, and for the benefit of their employees, contractors, agents, guests, invitees, and members (collectively referred to as "beneficiaries") and shall burden any Lot or Common Area that shares a common boundary with any Golf Course fairway parcel. Notwithstanding the foregoing, this easement is not intended to confer on any beneficiary (as defined in this paragraph) the right to enter any Lot for purpose of retrieving or playing any golf ball that falls within the boundaries of the Lot.

3.7 Easements in Favor of the Community Services District. The Community Services District, as explained in further detail in Section 8.9, below, has been, or will be, granted certain easements within the Development in order to provide access to and from property, equipment and facilities owned, and/or operated and maintained by the District.

3.7.1 An easement is hereby granted to the Community Services District, its officers, agents and employees, and to any contractor selected by the Community Services District, to enter into or cross over any Lot every eighteen (18) months (or at such other intervals as may be required by the District) to inspect and perform maintenance as needed on each Lot's effluent grinder for the disposal of sewage and other waste water. Maintenance of grinders and other related waste water disposal facilities located on Lots shall be in accordance with minimum specifications and procedures promulgated by the Community Services District from time to time.

3.7.2 In accordance with Condition of Approval Number 12 of the Planned Development Permit concurrent with the Recordation of the Subdivision Map for the "Initial Covered Property" as that term is defined in the Original Declaration, the Declarant also granted the Community Services District an easement for access to and appropriation of ground water stores beneath the Initial Covered Property in amounts sufficient to provide all domestic and emergency water service for all development that is proposed or undertaken within the Initial Covered Property. As required by said Condition of Approval, as subsequent Phases of Grizzly Ranch are developed and annexed pursuant to Article 12 below, a similar easement in favor of the District shall be conveyed to the District with respect to ground water access and appropriation to service all development within the Phase.

3.8 Conservation Easement. By recordation of that certain document titled "Grant of Perpetual Conservation Easement Grant" (the "Conservation Easement") in the Official Records of Plumas County, California, a conservation easement has been established for the benefit of the Grizzly Ranch Conservancy, a California nonprofit public benefit corporation (the "Conservancy") over Common Area parcels W1 and W2, as shown on the Subdivision Map. The use and enjoyment of said real property (which are referred to in the Conservation Easement as the "Conservation Easement Areas") shall be limited as set forth in the Conservation Easement. It is anticipated that as additional Phases of the Development are annexed and subjected to this Declaration, portions of the Common Areas located in such Annexed Property will also be subjected to the Conservation Easement and designated as Conservation Easement Areas. The terms and conditions of the Conservation Easement are incorporated herein by this reference.

3.9 Priority of Easements. Wherever easements granted to the County are, in whole or in part, coterminous with any other easements, the easements of the County shall have and are hereby granted priority over said other easements in all respects.

3.10 Declarants Rights and Easements. For so long as Declarant owns any Lots for sale within Grizzly Ranch, Declarant shall have easements and rights:

3.10.1 To build, construct, modify and maintain any signs advertising Grizzly Ranch, the Golf Course, and the sale of homes by Declarant on Common Area, provided such signs comply with applicable law, and do not unreasonably interfere with the use and enjoyment of the Common Area by Owners and Residents.

3.10.2 For ingress, egress and the installation and maintenance of public utilities over, under and across the Common Areas within Grizzly Ranch for the purpose of maintaining an office for sales and/or resales of Lots in the Development, as provided in Article 15, below, and for Declarant's marketing activities in connection with such offices.

3.10.3 To use of the Common Areas and Common Facilities of Grizzly Ranch for up to six (6) days per year for a period not to exceed the disposition of all Lots owned by the Declarant within Grizzly Ranch, to raise funds for charitable, philanthropic, political and/or marketing purposes as determined by Declarant, provided that any scheduled event shall be subject to the following:

3.10.3.1 Availability of the facilities at the time the request for reservation is presented to the Association.

3.10.3.2 Declarant shall pay all costs and expenses directly associated with such events (i.e., expenses that would not arise but for the event) and shall indemnify the Association against any loss or damage caused by Declarant or its activities upon any portions of the Development used in connection with the Declarant's activities.

3.10.3.3 Declarant shall, following the exercise of its reserved rights, deliver any portions of the Common Facilities utilized by the Declarant to the Association in the same condition in which it was received prior to the scheduled event.

3.10.3.4 This right to use shall be enforceable by Declarant by means of an injunction against any other use or any violation of Declarant's rights reserved herein.

3.10.3.5 Declarant shall have the right to assign its reserved rights herein to a charitable organization or foundation established or selected by Declarant to conduct and/or sponsor the events described in this Section 3.10.3.

Nothing in this section shall preclude the Declarant and the Association from agreeing to extend greater access and use privileges to the Declarant, for the purposes stated herein, in the event that it is reasonably determined by the Association Board that Common Facilities, or portions of such Facilities, are available for such use by Declarant without adversely affecting the rights of use and enjoyment of the other Owners, their guests and invitees.

#### **ARTICLE 4 USE RESTRICTIONS**

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##### **4.1 Use of Lots.**

4.1.1 Except as specifically provided in Section 4.3, below, no Lot, or any portion thereof, shall be occupied or used for other than single-family residential purposes by the Owners, their Contract Purchasers, lessees, tenants, or guests. In no event shall a Residence be occupied by more individuals than permitted by applicable law, zoning or other local governmental regulation. The restriction is not intended to preclude construction of a "guest house" for the housing of occasional social guests or servants' quarters for the housing of servants or the domestic employees on the premises.

4.1.2 All Residence and related structures erected on any Lot shall conform to the minimum construction standards set forth in the Design Guidelines, unless a variance has been granted by the Design Review Committee in accordance with Section 9.28, below.

4.1.3 No Lot within the Development shall be leased, subleased, occupied, rented, let, sublet, or used for a time-share project, as defined in California Business & Professions Code Section 11003.5 unless the project has been specifically authorized in a Declaration of Annexation or Supplemental Declaration signed by the Declarant, or successor thereof. This subparagraph shall not be construed to limit the personal use of any Lot or any portion thereof within the Development by any Owner or his or her or its social or familial guests.

4.1.4 Each Lot shall be conveyed as a separately designated and legally described fee simple estate, subject to this Declaration. All Lots and the Residences and other Improvements erected or placed thereon (including, without limitation, landscaping) shall at all times be maintained in such a manner as to prevent their becoming unsightly.

4.1.5 The vegetation and landscaping on any Lot shall be planted or maintained by the Owner or resident in such a manner as to reduce the risk of fire, prevent or retard shifting or erosion of soils, encourage the growth of indigenous ground cover and to cause the proper diversion of water into streets and natural drainage channels.

4.1.6 No camping, whether temporary or permanent, and no temporary structures of any kind shall be permitted on any Lot.

4.1.7 No existing trees with a diameter greater than twelve (12) inches, measured four (4) feet above grade, shall be destroyed, uprooted, cut down or removed from any Lot unless and until such action has been approved by the Design Review Committee.

4.2 No Partition. There shall be no judicial partition of the Development or any part thereof, nor shall any Owner or any person acquiring any interest in the Development or any part thereof seek any judicial partition thereof; provided, however, that if any Lot shall be owned by two (2) or more co-tenants as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition by sale as between such co-tenants.

4.3 Restriction on Businesses. No trade, business or commercial activity of any kind shall be established, maintained, operated, permitted, or conducted within the Development except:

4.3.1 Those professional and administrative occupations as may be permitted by, and which are conducted in conformance with, all applicable governmental ordinances provided that there is no external evidence thereof, and further provided that the Board may, in its complete discretion, prohibit the conduct of any such activities which the Board determines to be incompatible with the nature and character of the Development or which, in the Board's opinion, may or does otherwise negatively impact the quality of life and property values within the Development. The Board may also adopt Rules regulating the conduct of such occupations.

4.3.2 Those other businesses which by law must be permitted to be conducted within the Development.

4.4 Offensive Conduct, Nuisances, Noise. No noxious, harmful, unlawful, or offensive activities shall be conducted upon or within any part of the Development, nor shall anything be done thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any Residents of the Development, or which shall in any way interfere with their use of the Common Area and facilities thereon or the use and enjoyment of their Lots or Residences. Without limiting any of the foregoing, no Resident shall permit noise, including but not limited to the barking of dogs or excessively loud music, to emanate from the Resident's Lot, which would unreasonably disturb another Resident's enjoyment of his or her Lot or of the Common Area. Excessive noise levels may be determined at the sole discretion of the Board which may, but shall not be obligated to, rely on the standards established in applicable County or City codes regulating such matters. Nothing in this section shall be construed to limit the Association's ability to discharge its duties in accordance with the Governing Documents or otherwise manage the Development.

4.5 Rental and Lease of Lots.

4.5.1 Rentals Permitted Subject to Rules. Owners may rent or lease their Lots subject to Association Rules adopted by the Board, which may regulate or restrict, without limitation, the minimum duration or term of leases, requirements for vacation rental program administrators or agents, allowable platforms or services that may be used for rentals, minimum requirements for lease agreements, and requirements for information that Owners must provide to the Association regarding their rentals. This means that

short-term rentals, including those commonly provided through platforms such as Airbnb, VRBO, etc., may be regulated or prohibited by the Association Rules, and there is no guarantee that Owners may be able to rent for short-term periods.

**4.5.2 Requirements That Must Be Observed in All Residential Leases.** Except as otherwise provided in the next succeeding paragraph, the following specific limitations shall apply to all leases or tenancies of a Residence within Grizzly Ranch: (a) any rental of a Residence must apply to the entire Residence including its appurtenant rights to use and enjoy recreational Common Facilities; (b) any rental shall be evidenced by a written lease or rental agreement which shall provide that the tenancy is subject to the terms of the Governing Documents and that any failure of the tenant to comply with the terms of any Governing Document relating to residential leases, property use restrictions or the use and enjoyment of any portion of the Common Areas and Common Facilities shall constitute a default under the lease or rental agreement and shall entitle the Owner to terminate the tenancy upon written notice as required by law; and (c) the Owner may be required to pay a rental fee to the Association in an amount determined by the Board to cover its administrative costs related to the rental, possibly including the cost of a rental monitoring and security program, as more fully set forth in Rules. The Owner-lessor's right to terminate a lease or rental agreement on account of the tenant's violation of the Governing Documents shall in no way restrict the right of the Association or any Owner to enforce the Governing Documents in accordance with Article 10, when the Owner's tenant is violating the Governing Documents. Tenants shall have the same rights of the Owner with respect to using the Common Area, and during the period in which a Residence is being rented, the Owner may not use the Common Area since those rights will be delegated to the tenants during the rental period.

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.

**4.5.3 Owner Responsibility.** Each Owner renting a Lot shall be strictly responsible and liable to the Association for the actions of such Owner's tenants within the Development and for each tenant's compliance with the provisions of all the Governing Documents, including the Bylaws, the Declaration and any amendment thereto, and Association Rules. An Owner leasing or renting a Lot shall provide the tenants with copies of the Governing Documents and all subsequent amendments, and other pertinent information of general application to the Members and Residents and inform the tenant of the Association's right to enforce the Governing Documents.

**4.5.4 Association's Enforcement Rights.** In addition to all other remedies available, in the event a tenant's conduct involves damage or misuse of any Common Areas or constitutes a nuisance to Owners or residents, the Association shall be entitled to maintain an eviction action against such tenant to the same extent as the Owner of the Lot with the Association being deemed a third-party beneficiary of any lease or rental agreement involving any Lot within the Development. The Association's right to maintain an eviction action shall arise only in the event that the Owner has not prevented

and/or corrected the actions of the tenant giving rise to the damage or nuisance and: (a) the Association has given notice to the Owner detailing the nature of the infraction and the Owner has had a reasonable opportunity to take corrective action; or (b) the Owner has appeared before the Board, or a duly authorized committee thereof, to present arguments as to why eviction by the Association is not necessary. Any disciplinary action shall be done in compliance with the notice requirements and hearing procedures set forth in Civil Code Section 5855, or comparable successor statute, and the Governing Documents.

4.5.5 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 upon the Development, including any such arising or alleged to have arisen out of the enforcement or non-enforcement 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, including eviction as provided herein, shall be reimbursed to the Association by the Owner and may be assessed by the Association as a Reimbursement Assessment.

4.6 Use of the Common Area. Nothing shall be placed, kept, stored, or parked on the Common Area without the prior written consent of the Association, except by the Association, or its authorized vendors and contractors. Without limiting the foregoing, no Owner shall place rubbish, debris, or other unsightly or unsanitary materials in the Common Area. Each Owner shall avoid causing damage to the Common Area.

4.7 Household Pets. The following restrictions regarding the care and maintenance of pets shall be observed by each Owner, including their guests and tenants:

4.7.1 Up to three (3) common household pets may be kept on each Lot so long as the same are not kept, bred or maintained for commercial purposes. No other animals, livestock, or poultry of any kind shall be kept, bred or raised on any Lot or in any Residence.

4.7.2 Dogs shall only be allowed on the Common Area when they are leashed and otherwise under the supervision and restraint of their Owners.

4.7.3 No household pet shall be left chained or otherwise tethered in front of a Lot or in the Common Area.

4.7.4 Each person who shall bring or keep a pet on their property, or who permits a guest or tenant to bring or keep a pet on their property within the Development shall be solely, or in the case of a guest or tenant the Owner shall also be jointly, responsible for the conduct of the owner's pets. The Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet.

4.7.5 The Board of Directors shall have the right to establish and enforce additional rules and regulations imposing standards for the reasonable control and keeping of household pets in, upon and around the Development to ensure that the same do not interfere with the quiet and peaceful enjoyment of other Owners and residents.

4.8 Requirement of Architectural Approval. As addressed in greater detail in Article 9, construction, installation, modification, or alteration of buildings, outdoor structures, fences, awnings, outdoor lighting, landscape and all other exterior Improvements are subject to approval of the Design Review Committee.

4.9 Machinery and Equipment. No power tools, machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except such machinery or equipment as is usual or customary in connection with the use, maintenance or repair of a private Residence or appurtenant structures within the Development.

4.10 Temporary Structures. No structure of a temporary character, trailer, mobile home, camper, tent, shack, garage or other outbuilding shall be used on any Lot at any time as a Residence, either temporarily or permanently.

4.11 Signs. No sign of any kind shall be displayed to the public view from any portion of the Development except that this restriction shall not apply to: (a) signs required by legal proceedings; (b) signs which by law cannot be prohibited; (c) a single sign of customary and reasonable dimension and design, complying with the Rules and reasonably located on a Lot advertising the Residence for sale or rent; (d) a single identification sign which has been approved by the Board located on a Lot identifying the number or address of the Lot; (e) signs required for traffic control and regulation of streets or open areas within the Development; (f) signs on the Common Area as approved by the Board for a purpose reasonably related to the affairs of the Association; and (g) such other signs as the Board, in its discretion, may approve provided that the Board may adopt limitations on such other signs including, without limitation, restrictions on the size of the signs, the duration of their posting, and their location. All permissible signs must be in good condition. Signs shall not be faded or cracked. The Board may adopt, amend and repeal Rules for the implementation of this section which Rules may include, without limitation, automatic approval of signs meeting specified requirements. It is the express purpose and intent of this section to permit the Association's regulation of signs within the Development to the greatest extent permitted by law.

4.12 Antennas and Satellite Dishes.

4.12.1 No outside television antenna, satellite dish or similar device for the transmission or reception of television, radio, satellite, or other signals of any kind shall be permitted within the Development, except:

4.12.1.1 The Association shall have the right, without obligation, to erect, place or install and maintain any such apparatus for the benefit of all or a portion of the Development.

4.12.1.2 Antennas or satellite dishes that are one (1) meter or less in diameter or diagonal measurement which are designed to receive video programming services via multi-point distribution services, including multi-channel multipoint distribution services, instructional television fixed services and local multipoint



distribution services (collectively "Permitted Device(s)") may be erected, placed or installed on a Lot, provided that:

4.12.1.2.1 Any such Permitted Device is placed in the least conspicuous location on the Residence at which an acceptable quality signal can be received and is either not Visible from Neighboring Property or is screened from the view form streets of any neighboring Lot, Common Area or the Golf Course.

4.12.1.2.2 Reasonable restrictions which do not significantly increase the cost of installation of a Permitted Device or significantly decrease its efficiency or performance, including, without limitation, screening material, location or complimentary-color painting of the Permitted Device, may be imposed as part of the Design Guidelines. In no event can the Association or the Design Review Committee impose a pre-installation design review process so long as the Owner is installing a Permitted Device.

4.13 Trash. No rubbish, trash, or garbage shall be allowed to accumulate on Lots. Any trash that is accumulated by an Owner outside the interior walls of a Residence shall be stored entirely within appropriate covered, bear-proof disposal containers and facilities which shall be located in the residence or garage or at some other location on the resident's Lot that is screened from view from any street, neighboring Lot or Common Area. Any extraordinary accumulation of rubbish, trash, garbage or debris (such as debris generated upon vacating of premises or during the construction of modifications and Improvements) shall be removed from the Development to a public dump or trash collection area by the Owner or tenant at his or her expense. The Association shall be entitled to impose reasonable fines and penalties for the collection of garbage and refuse disposed in a manner inconsistent with this section. Each Owner or tenant shall be responsible for removing or contracting for the removal of its own garbage, unless the Association has contracted for such collection service within the Development. Each Owner or tenant shall use only bear-proof disposal containers to store garbage.

4.14 Storage of Materials. Storage of personal property on any Lot shall be entirely within enclosed storage areas. There shall be no woodpiles nor storage piles accumulated on top, or outside, of any enclosed storage area. The Association shall have the right to establish and maintain on the premises appropriate storage yards and storage buildings for the maintenance of materials and equipment used by the Association in connection with its planting, building, repair, maintenance and preservation of the structures, gardens and other improvements within the Common Areas which the Association is obligated to repair and maintain.

4.15 Parking and Vehicles. The following vehicle and parking restrictions shall apply:

4.15.1 Trucks, Trailers, Recreational Vehicles, Campers and Boats. No motor vehicle classified by manufacturer rating as exceeding one (1) ton, recreational vehicle, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot or on any street within the Development so as to be visible to a six (6') foot tall person standing at the finished floor elevation (or in the case of streets or open space the finished grade thereof) of the neighboring property ("Visible From Neighboring Property"). However, the provisions of this section shall not apply to

pickup trucks of one (1) ton or less capacity with camper shells not exceeding seven (7') feet in height measured from ground level and mini-motor homes and/or passenger vans not exceeding eight (8') feet in height and eighteen (18') feet in length which are parked as provided in Section 4.15.3, below, and are used on a regular and recurring basis for basic transportation. The provisions of this section shall not apply to cleaning, loading or unloading and short-term parking (not to exceed forty-eight (48) consecutive hours) of non-commercial vehicles which shall be permitted for a cumulative period not to exceed one-hundred and twenty (120) hours in any calendar month. In no circumstances will vehicles be used for overnight occupancy within the Development.

4.15.2 Motor Vehicle Maintenance/Inoperable Vehicles. No automobile, motorcycle, motorbike or other motor vehicle shall be maintained, constructed, reconstructed or repaired upon any Lot, street or Common Area, and no inoperable vehicle may be stored or parked on any such Lot or street, so as to be visible from neighboring property. However, the provisions of this section shall not apply to: (a) emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Design Review Committee; (b) the parking of such vehicles during normal business hours in areas designated for parking in a non-residential Land Use Classification; and (c) vehicles parked in garages on Lots.

4.15.3 Parking. In order to maintain the aesthetic environment of the Development, on street parking is prohibited overnight, except for vehicles parking pursuant to the short-term parking exception described in Section 4.15.1, above. Vehicles of all Owners, residents and their guests and invitees, shall be kept in garages, on driveways on the Lot or in other designated parking areas. This section shall not be construed to permit the parking in the above described areas of any vehicle whose parking within the Development is otherwise prohibited or the parking of any inoperable vehicle. The restrictions imposed by this section shall not apply to vehicles and equipment that are being parked in accordance with local ordinances while a Residence is under construction.

4.15.4 Restrictions Relating to Golf Carts and Use of Cart Paths and Fairways.

4.15.4.1 Authorized Golf Carts. The only golf carts (as defined in California Vehicle Code Section 345) which shall be permitted to be operated within the Development shall be golf carts that are either owned by the owner or operator of the Golf Course and made available to members and other players for use, carts purchased through the Golf Course, or carts purchased elsewhere which are approved for use within the Development by the owner of the Golf Course following a determination that the cart is of the same design, quality and appearance as the golf carts that are offered for sale, rental or lease by or through the Golf Course. The purpose of this restriction is to ensure a uniform and quality standard of maintenance and appearance for golf carts and the carts permitted hereunder are referred to below as "authorized golf carts".

4.15.4.2 Operation of Golf Carts on Streets and Cart Paths Within Grizzly Ranch. If permitted by a local ordinance adopted pursuant to Section 21115 of the California Vehicle Code, it shall be lawful to drive authorized golf carts on

streets within Grizzly Ranch in strict compliance with the rules and regulations set forth in the authorizing resolution or ordinance. Except as provided in the preceding sentence, authorized golf carts shall not be permitted to travel on any road or pedestrian/bicycle path within the Development, except to cross such roads or paths at designated locations. Golf carts shall remain on designated golf cart paths consistent with the above described general restriction unless the Association Rules or rules of the Golf Course provide otherwise.

4.15.4.3 Restriction on Use of Cart Paths for Other Recreational Purposes. Golf cart paths shall not be used by members of the general public and shall not be used by any person for recreational activities unrelated to the game of golf, such as jogging or bicycling, unless otherwise specifically authorized by the owner of the Golf Course. The owner of the Golf Course, in its discretion, may make the Golf Course fairways available for seasonal cross country skiing.

4.15.4.4 Enforcement by Golf Course. The restrictions imposed by subparagraphs Section 4.15.4.1 and 4.15.4.3, above, are for the principal benefit of the owner of the Golf Course and shall be enforceable by such owner, rather than by the Association.

4.16 Driveways and Associated Parking. Driveways shall be surfaced (asphalt or rock) prior to October 15th of each construction year. Driveways shall not traverse slopes greater than sixteen percent (16%) except where this restriction will preclude driveway construction. In no event shall a driveway traverse slopes greater than twenty-five percent (25%) except with a site specific erosion control plan. These restrictions shall be interpreted as an average slope over at least three ten-foot contour intervals (thirty (30) vertical feet). Common driveway easements may be used for up to three Lots on slopes of more than ten percent (10%). Common driveways shall be considered roads for purposes of improvement plans and section 9-3.701 of the Plumas County Code. No gravel/oil and chip/natural soil or any unsecured finish is permitted on driveways, and driveways shall be paved upon the issuance of a certificate of occupancy from the County. Each Lot may be accessed by a single driveway only, except where unique terrain may justify a second access from the roadway. The paved surface of a driveway must be at least 10 feet wide and must generally not exceed 12 feet in width from the roadway to a point where it crosses into the Building Envelope area. Access drives must generally be located to preserve natural site features and minimize disruption of the existing landscape. Where feasible, a driveway should be located where it requires the least amount of cut or fill. Additional driveway, and associated parking, are more fully covered in the Design Guidelines. Also see Section 4.15, above, for additional requirements on parking.

4.17 Use of Private Streets in Common Area.

4.17.1 Private streets within the Development shall not be used for recreational purposes, including "joy riding" or racing. Motorcycles, mopeds, and cars shall be allowed on such private streets only for ingress and egress.

4.17.2 In order to prevent accelerated deterioration of private roadways, the Association Board shall be entitled to collect deposits from Owners and/or contractors in connection with construction projects within the Development. Such deposits can be designated as nonrefundable or they can, in the Boards discretion, be applied to correct or repair

specific damage caused by the construction in accordance with the Governing Documents.

4.17.3 All provisions of the California Vehicle Code must be honored at all times when operating any motor vehicle within the Development.

4.17.4 Although some roads within Grizzly Ranch are subject to the California Vehicle Code, the Association shall have the right to adopt reasonable rules regarding the control and use of roads within the subdivision, vehicles operated thereon and the speed of such vehicles, and further authorized to delegate the discharge of its rights hereunder to a municipality or other governmental entity or to contract with a private security patrol company for such purposes so long as the private character of the subdivisions roads is not jeopardized by such action.

4.18 Garage Sales. Garage sales shall not be permitted at any Lot or Residence within the Development.

4.19 Garage. Each Owner shall keep his or her garage area in a neat and orderly condition with any storage areas completely enclosed.

4.20 Power Equipment and Car Maintenance. No power equipment, or car maintenance of any nature is permitted within the Development in excess of seventy-two (72) hours without the prior written approval of the Board, unless any such activities are performed completely within an Owner's garage. In deciding to grant approval, the Board will consider the effects of noise, air pollution, dirt or grease, fire hazard, and similar objections.

4.21 Drainage. No Owner may do any act or construct any Improvement which would interfere with the natural or established drainage systems or patters within the Development without the approval of the Board.

4.22 Clotheslines. Exterior clotheslines or other outside clothes drying or airing facility shall not be erected or maintained on the Common Area or on a Lot such that it is visible from any other Lot or the Common Area, except in backyards and in a location that is the least visible from other Lots or the Common Area.

4.23 Landscaping on Lots. Each Owner must maintain, repair and replace his or her Lot, and all Improvements thereon, in a safe, sanitary and attractive condition. Such maintenance responsibility applies whether or not the Lot is improvement with a Residence and includes but is not limited to control of all weeds and other unsightly vegetation, rubbish, trash, garbage and landscaping visible from other portions of the Development.

4.24 Trees. No native tree with a diameter greater than twelve (12") inches, measured four (4') feet above grade, may be removed without prior written consent of the Design Review Committee.

4.25 Activities Affecting Insurance. Nothing shall be done or kept on any Lot or within the Common Area which will increase the rate of insurance relating thereto without the prior written consent of the Association and no Owner shall permit anything to be done or kept on his or her Lot or the Common Area which would cause any Improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Residence or any part of the Common Area.

4.26 Restriction on Further Subdivision and Severability. No Lot shall be further subdivided nor shall less than all of any such Lot be conveyed by an Owner thereof and no Owner of a Lot shall be entitled to sever that Lot from the Common Area portion of the Development. Unless approved in advance by the Design Review Committee, no Lot as shown on a final Subdivision Map for any portion of Grizzly Ranch shall be combined with any other Lot or parcel. In approving the combination of two (2) or more Lots, the Design Review Committee may, but shall not be obligated to, require that the Owner agree to execute and Record against the land comprising the combined Lot a covenant running with the land for the benefit of the Common Areas and other Lots in the Development obligating the Owner to pay Assessments on the combined Lot at the same rate as would have been owing as an Assessment liability on each of the combined Lots if they had remained separate. Once approval of a Lot combination has been issued by the Design Review Committee, it shall be the Owner's responsibility to obtain all required governmental approvals for the combination.

4.27 Heating Systems. No Residences shall be heated solely by wood burning appliances. Each Residence shall be equipped with a conventional heating device utilizing propane, natural gas, electricity, geothermal heat pump, solar or other extremely low-emitting energy source with sufficient capacity to heat all areas of the Residence without reliance on wood burning heating devices. All wood burning devices shall be EPA-Certified Phase II woodstoves or equivalent devices and must be installed in compliance with Plumas County and Northern Sierra Air Quality Management District regulations. Fireplaces are considered to be wood combustion units. Open hearth fireplaces that are not Environmental Protection Agency Phase II or equivalent devices shall be permitted if the Declarant and the County conclude that an agreement through which the Declarant would pay into an appropriate County air quality fund the sum of \$1,000.00 for each open hearth fireplace built or installed. The fund will be used to replace residential wood combustion units that are not Environmental Protection Agency Phase II or equivalent with residential wood combustion units that are Environmental Protection Agency Phase II or equivalent or with a heating unit that is not a wood combustion unit. The \$1,000.00 payment will be adjusted annually to reflect the changes in the California Consumer Price Index relative to the California Consumer Price Index in the year 2003.

4.28 Restrictions on Burning and Fire Protection Matters.

4.28.1 Beckworth Fire Protection District. As of the recordation date of the Original Declaration, fire protection services are being provided to the Development by the Beckworth Fire Protection District.

4.28.2 Exterior Fires. There shall be no exterior fires at any location within the Development (with the exception of barbeque fires, as described below), including but not limited to, open burning of cleared vegetation and burning of construction debris or illegal material. Acceptable substitutes for open burning of cleared vegetation include measures such as chipping, fuel wooding or yarding. Barbecue fires located only upon Lots and contained within receptacles designed for such purpose are permitted. No Owner or resident shall permit any condition to exist on his or her Lot, including, without limitation, trash piles, or weeds, which create a fire hazard or is in violation of local fire regulations.

4.28.3 State Responsibility Area. Owners are on notice that Grizzly Ranch is located within a "State Responsibility Area" and, as such, is subject to fire protection regulations established by the California State Board of Forestry. Such regulations include provisions applicable to the construction of Residences.

4.29 Variances. The Board shall be authorized to grant reasonable variances from the provisions of Article 4 of this Declaration upon written application from any Owner provided that the Board determines, in its sole discretion, that the specific application of the restriction to such Owner will: (a) cause substantial undue hardship to the Owner; or (b) fail to further or accomplish the common plan for the Development as contemplated by this Declaration. The Board shall have the power to limit any variance granted in scope or duration or otherwise impose such specific requirements as the Board may, in its complete discretion, see fit to require. The Board shall follow the following procedures in acting on any request for a variance:

4.29.1 The Board, in its sole discretion, shall make an initial determination of whether or not the variance request on its face meets the requirements set forth in this section. Where the Board deems it appropriate, the Board may, but shall not be required to, obtain the input of the Design Review Committee in considering the variance request. If the Board determines that the variance request does not meet the requirements set forth in this section, the variance request shall be denied and the Board shall so notify the applicant within thirty (30) days of the Board's decision. If the Board determines that the variance request does on its face meet the requirements set forth in this section, the procedures set forth in the remainder of this section shall be followed.

4.29.2 Provided the Board determines that the variance request does on its face meet the requirements set forth in this section, the Board shall conduct a hearing on the variance within sixty (60) days of the receipt of the written request for a variance. No decision regarding the request for variance shall be made until the conclusion of the hearing.

4.29.3 After the conclusion of the hearing, the Board shall, in its sole discretion, either grant or deny the request for variance in accordance with the standards set forth in this section. As more fully discussed above, if the Board grants the variance request, the Board may impose such conditions as the Board deems appropriate and shall so notify the applicant within thirty (30) days of the Board's decision.

## **ARTICLE 5 HOMEOWNERS ASSOCIATION**

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5.1 Management and Operation. The Association, through the Board of Directors, shall manage and operate the Development in accordance with the applicable provisions of the Governing Documents and the applicable provisions of California law. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under the laws of the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

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

5.3 Voting. Only Members shall be entitled to vote, and only one (1) vote shall be cast for each Lot, all as more particularly specified in the Bylaws.

5.4 Board of Directors. The affairs of the Association shall be managed by or under the direction of the Board. The number and qualifications of Directors shall be as established in the Bylaws, and the Directors shall be elected as provided in the Bylaws. The Board of Directors shall have all of the powers and duties set forth in any provision of the Governing Documents, including without limitation such powers and duties as may be expressly set forth in this Declaration.

5.5 Association Rules. The Board shall have 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: (a) use of the Common Area; (b) pets; (c) signs; (d) collection and disposal of refuse; (e) minimum standards for maintenance of property; (f) use of recreation facilities, if any; (g) parking and traffic regulations; (h) rental or leasing of Lots; and (i) any other subject matter within the jurisdiction of the Association as provided in the Governing Documents or by law.

5.6 Manager and Other Personnel. The Board shall have the power and authority to employ a manager and such other persons or entities as the Board shall deem appropriate to assist it in managing the Development and conducting the business and affairs of the Association, as more particularly set forth in the Bylaws.

5.7 Insurance. The Board shall procure and maintain liability insurance and property insurance as it shall deem proper and as more particularly set forth in the Bylaws.

5.8 Association Property. Subject to Section 5.9, below, the Board of Directors shall have the power to sell, transfer, lease or otherwise dispose of the Association's property, provided that the Board shall not, sell, transfer or otherwise dispose of real property owned by the Association having an aggregate value in excess of ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year without the approval of at least a Simple Majority.

5.9 Dedication or Transfer of Common Area to Public Agency or Utility. The Board of Directors shall have the power to dedicate or transfer all or any part of the Common Area to a public agency, authority or utility. No such dedication or transfer shall be effective unless it has been approved by Members holding at least two-thirds (2/3) of the votes of the Association, except that membership approval shall not be required in the case of dedicating or transferring portions of the Common Area to the CSD in the event the portions are burdensome to maintain or keep, and provide little benefit to the membership as Common Areas.

5.10 Capital Improvements. The Board shall have the power and authority to provide for the construction, reconstruction, installation, or acquisition of capital Improvements upon the Common Area provided that the Board shall not incur aggregate expenditures for capital Improvements to the Common Areas in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of at least a Simple Majority. For purposes of this section, capital Improvement shall mean Improvements not in existence as of the date this Declaration is recorded and unrelated to repairs, replacement or destruction of the existing Common Facilities.

5.11 Borrow Money. The Board of Directors shall have the power to borrow money in the name of the Association.

5.12 Mortgage of Association Property. The Board of Directors shall have the power and authority to mortgage, pledge, encumber, or otherwise hypothecate the real and personal property of the Association for money borrowed or debts incurred by the Association.

5.13 Mergers and Consolidations. The Association may: (a) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes as the Association; or (b) annex additional property to the Development which is not Subsequent Phase Property, provided that the approval of an Absolute Majority is obtained.

5.14 Dissolution. So long as there is any Lot, parcel or area for which the Association is obligated to provide management, maintenance, preservation or control, the consent of all Members must be obtained for the Association to: (a) transfer all or substantially all of its assets; or (b) file a certificate of dissolution.

5.15 Limitation of Liability. Neither the Association nor its Directors, officers, employees, agents or committee members (collectively and individually referred to as the "Released Party") shall be personally liable for damages or in equity to any of the Members, or to any other person, for any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required hereunder or pursuant to the Bylaws, even if such Released Party is negligent, provided that such Released Party has not acted in bad faith. This standard of care and limitation of liability shall extend, without limitation, to matters such as: (a) the establishment of the Association's annual financial budget; (b) the funding of Association reserve accounts; (c) the discharge of the Association's maintenance, repair and replacement obligations; (d) the enforcement of the Governing Documents; and (e) to any other fiduciary duties or responsibilities imposed by law or the Governing Documents.

## ARTICLE 6 ASSESSMENTS AND LIENS

6.1 Covenant of Owner. Each Owner of a Lot within the Development, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association in a timely manner: (a) Annual Assessments; (b) Special Assessments; (c) Reimbursement Assessments; and (d) Enforcement Assessments levied by the Association as hereinafter provided, together with all Additional Charges. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens hereinafter provided for.

Each Assessment levied by the Association under this Article, together with all Additional Charges, shall be a separate, distinct, and personal debt and obligation of the Owner against whom it is assessed, and shall bind his or her heirs, devisees, personal representatives, successors, and assigns. Such obligation to pay Assessments and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of Record of any Lot shall, in turn, become liable to pay all such Assessments and Additional Charges assessed during the time he or she is Record Owner of such Lot. After an Owner transfers or conveys title of Record of any Lot he or she owns, he or she shall not be liable for any Assessments levied thereafter with respect to such Lot. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. A Contract Seller of any Lot shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Lot is Recorded.



6.2 Creation of Lien. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land and upon levy shall be secured by a continuing lien upon the property against which such Assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Lot to secure the payment of any such Assessments and Additional Charges as may be levied under this Declaration. The lien provided for herein shall continue to secure all Assessments and Additional Charges levied upon any Lot notwithstanding the transfer of Record title to such Lot, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a Notice of Delinquent Assessment has been Recorded as provided in this Declaration and by law. The priority of all such liens on each Lot shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Lot, any sale of such Lot pursuant to foreclosure of the lien will be made subject to all liens securing the respective monthly Assessments and Additional Charges on such Lot for succeeding months.

6.3 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively for: (a) managing and operating the Development; (b) conducting the business and affairs of the Association; (c) promoting the recreation, health, safety, welfare, benefit, and interests of the Owners in relationship to the Development; (d) improving and maintaining the Common Area and, to the extent provided for in the Governing Documents or by law, the Lots situated within the Development; (e) enforcing the Governing Documents; and/or (f) otherwise benefitting the Owners.

6.4 Designation of Cost Centers. The Association shall have the power and authority to designate Lots, Parcels and Common Areas within the Development as Cost Centers for purposes of expense accounting and the equitable allocation of Annual Assessment, in accordance with Section 6.6.5.2, below. A Cost Center is likely to be designated when one (1) of the following occurs: (a) the maintenance or use of a particular Improvement or maintenance area within the designated Cost Center is fully or partially restricted to Owners of Lots located within the area designated as a "Cost Center"; or (b) when certain Owners of Lots within a designated Cost Center are receiving services from the Association that are in addition to, or significantly greater than, the services provided to other Owners or residents. Ordinarily, a Cost Center shall be established whenever it is reasonable to anticipate that any Owner or group of Owners will derive as much as ten percent (10%) more than Owners in general in the value of a common service(s) supplied by the Association.

6.5 Authority of the Board. The Board shall have the power and the duty to levy Annual and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.

6.6 Annual Assessment.

6.6.1 Calculation of Estimated Required Funds. Not less than thirty (30) days nor more than ninety (90) days prior to the beginning of each fiscal year, the Board shall complete and distribute to all Owners an estimate of the funds required by the Association for such fiscal year to: (a) manage, administer, operate, and maintain the Development; (b) to conduct the affairs of the Association; and (c) to perform all of the Association's duties in accordance with this Declaration. Such estimate shall include a reasonable amount allocated to contingencies and to a reserve fund for the restoration, repair, and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis.

6.6.2 Allocation of Annual Assessment. The Board shall allocate and assess the amount of estimated required funds equally among the Lots by dividing the amount by the number of Lots.

6.6.3 Payment of Annual Assessments. Unless the Board shall designate otherwise, Annual Assessments shall be levied on a quarterly basis and shall be paid in four (4) equal monthly installments during the fiscal year, and each installment shall be due and payable on January 1, April 1, July 1 and October 1, unless otherwise designated by the Board.

6.6.4 Increases in Annual Assessment. Pursuant to California Civil Code Sections 5605 and 5610 except as otherwise provided by law, the Board shall not increase the Annual Assessment for any fiscal year above the amount of the Annual Assessment for the preceding fiscal year by more than the maximum amount permitted by law, except upon the affirmative vote or written consent of a majority of Members voting on any such increase in the Annual Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.

6.6.5 Components of the Annual Assessment; Cost Centers.

6.6.5.1 General Assessment Component. The Common Expenses of the Association exclusive of Common Expenses budgeted to any Cost Center (the "General Assessment Component") shall be allocated among and charged to all the Owners of Lots equally.

6.6.5.2 Cost Center Assessment Component. When a Cost Center is established, the expenses of operating, maintaining and replacing the included Improvements or maintenance areas (including, without limitation, Reserve contributions and expenses for insurance and management, utility, legal, and accounting) shall be borne solely or disproportionately by the Owners of the Lots within the designated Cost Center ("Cost Center Assessment Component").

Unless otherwise provided in a Supplemental Declaration, the Cost Center Assessment Component shall be allocated equally among all Lots located within the Cost Center.

6.6.6 Member Approval Requirements for Certain Assessment Increases. If an increase of more than twenty percent (20%) in the amount of the Annual Assessment for any Lot or Lots (over the prior year's Annual Assessment for those Lots) results solely from increases in the Cost Center Assessment Component of the Annual Assessment for such Lots, the required approval shall be vote or written consent of a majority of Members whose lots are located within the Cost Center voting on any such increase in the Annual Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.

## 6.7 Special Assessments.

6.7.1 Purpose of Special Assessments. If at any time during any fiscal year the Annual Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof or the unexpected repair, replacement, or reconstruction of Improvements located in the Development, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost. The Board may also levy a Special Assessment for capital improvements within the Common Area. The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for routine maintenance, repair and replacement of Common Facilities through Annual Assessments.

6.7.2 Allocation of Special Assessments. Special Assessments shall be allocated and assessed equally among all Lots in the Development, except any Assessment against an Owner as a result of a deficiency in insurance proceeds or condemnation awards as provided in Article 7 of this Declaration.

6.7.3 Approval of Special Assessments. Except in the case of an emergency situation as defined in California Civil Code Sections 5600 - 5650, in any fiscal year the Board may not levy Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the affirmative vote or written consent of a majority of the Members voting on any such Special Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.

6.7.4 Cost Center Special Assessments. In the event that a Special Assessment is only needed to fund an extraordinary expense or new capital improvement within a Cost Center, the Board may levy a Special Assessment that is applicable solely to those Lots which comprise that Cost Center.

6.8 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner and his or her Lot if a failure by such Owner, or any person or pet for whom the Owner is responsible, to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such Owner or his or her Lot into compliance. The Association shall also levy a Reimbursement Assessment in the event that the Association has expended funds performing emergency repairs as authorized by this Declaration or for any other reasons specifically authorized by the provisions of this Declaration. A Reimbursement Assessment shall include any costs, including attorneys' fees, incurred by the Association, including costs of collecting from an Owner any amount which the Owner is obligated to pay to the Association. A Reimbursement Assessment shall be due and payable to the Association when levied.

6.9 Enforcement Assessments. The Board may levy an Enforcement Assessment (and any fine imposed by the Board in accordance with the provisions of the Governing Documents shall be deemed to be such an Enforcement Assessment), for violation of any of the provisions of the Governing Documents. Any Enforcement Assessment shall be due and payable to the Association when levied.

6.10 Failure to Fix Assessments. The failure or omission by the Board to fix or levy any Annual Assessment provided for by the terms of this Declaration before the expiration of any fiscal year, for that fiscal year or the next fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay Assessments or any installment thereof for that or any subsequent year, but the amount of the Annual Assessment fixed for the preceding fiscal year shall be the amount of the Annual Assessment for the ensuing fiscal year until a new Annual Assessment is levied.

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

6.12 Payment Under Protest. If a dispute exists between the Owner of a Lot and the Association regarding any disputed charge or sum levied by the Association, including, but not limited to an Assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and the amount in dispute does not exceed the jurisdictional limits set forth in the Code of Civil Procedure Sections 116.220 and 116.221, or comparable successor statute, the Owner may, in addition to pursuing dispute resolution, pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest, if any, pursuant to subdivision (b) of Section 5650, and commence an action in small claims court. Nothing in this section shall impair the Association's ability to collect delinquent assessments as provided by California law.

6.13 Delinquent Assessments. Any installment or other portion of an Assessment not paid within fifteen (15) days after its due date shall be delinquent and shall be subject to interest and late charges not to exceed the maximum rate permitted by law, as well as all other Additional Charges. The Board, on behalf of the Association, may enforce the payment of any delinquent Assessment plus Additional Charges by bringing an action at law against any Owner personally obligated to pay the same, or by foreclosing the lien against the Owner's Lot by judicial or non-judicial foreclosure, except as prohibited by law. Except as prohibited by law, upon any delinquency in payment, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Owner, immediately due and payable, which total sum may then be included in any suit, action, or other procedure initiated to collect such sums, including all Additional Charges. The Board may commence any procedure for the collection of delinquent Assessments upon its own decision. The remedies provided in this Declaration for collection of delinquent Assessments shall be cumulative and not exclusive.

6.14 Power of Sale. Each Owner does hereby appoint the Association as trustee to enforce and to foreclose any lien which is established pursuant to the terms of this Declaration, by private power of sale, as provided in Division III, Part 4, Title 14, Chapter 2, Article 1, of the California Civil Code, and does further grant to the Board, on behalf of the Association, the authority and power to sell the Lot of such Owner in the event of any default in payment of any Assessments or Additional Charges levied against such Lot, for lawful money of the United States, to the highest bidder, to satisfy such lien, except as prohibited by law. The Association or any Owner may purchase the Lot at the sale.

6.15 Certificate of Satisfaction and Release of Lien. Upon payment in full of a delinquent Assessment, including any Additional Charges, or the satisfaction thereof, the Board shall Record, in the

same manner as the Notice of Delinquent Assessment, a further certificate stating the satisfaction thereof and the release of the lien.

6.16 Priority. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under this Article shall have priority as of the date of Recording of the original declaration applicable to the Development over all other liens and encumbrances applicable to the Lots. Notwithstanding the preceding, a lien for Assessments which have become due and payable prior to the sale of a Lot pursuant to a decree of foreclosure of a First Mortgage, or pursuant to a power of sale contained in any such First Mortgage, shall be subordinate to the lien of any First Mortgage Recorded against the Lot. Such foreclosure sale shall not relieve the Lot from liability for any Assessments and Additional Charges thereafter becoming due, nor from the lien of any subsequent Assessment.

6.17 Association Funds. All Association accounts shall be maintained in one (1) or more banks or other depositories selected by the Board, which accounts shall be clearly designated as belonging to the Association. The Assessments collected by the Association shall be properly deposited into such accounts. The Assessments collected by the Association shall be used for the purposes set forth in Section 6.3, above.

6.18 Waiver of Exemptions. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this article, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms of this Article.

6.19 Property Exempt from Assessments. The following property subject to this Declaration shall be exempt from the Assessments, Additional Charges, and liens created herein:

6.19.1 All property dedicated to and accepted by the County or other local public authority and devoted to public use.

6.19.2 Any Lot which is owned by the Association as a result of the Association having acquired such Lot through foreclosure. Such exemption shall be applicable only during the period in which the Association is Record Owner of such Lot.

6.19.3 All Common Areas.

6.20 Owner Assignment of Rents. Each Owner hereby presently assigns to the Association, absolutely and regardless of possession of the Lot, all rents and other monies now due or which may hereafter become due under any lease, agreement or otherwise for the use or occupation of any or all parts of any Lot owned by the Owner, now existing or hereafter made, for the purpose of collecting all Assessments due the Association pursuant to this Declaration which are in default. The Association hereby confers on each Owner the authority to collect and retain the rents and other monies derived from any such lease or agreement as they become due and payable, provided that the Association at its sole discretion, may revoke such authority at any time, upon written notice to the Owner of a default in the payment of any Assessment due hereunder. Upon revocation of such authority the Association may, pursuant to court order or by court-appointed receiver, collect and retain such monies, whether past due and unpaid or current.

## ARTICLE 7 DAMAGE OR DESTRUCTION; CONDEMNATION

### 7.1 Destruction.

7.1.1 Common Facilities; Bids and Determination of Available Insurance Proceeds. In the event any Common Facilities are ever damaged or destroyed, then, and in such event, as soon as practicable thereafter the Board of Directors shall: (a) obtain bids from at least two reputable, licensed contractors, which bids shall set forth in detail the work required to repair, reconstruct and restore the damaged or destroyed portions of the Common Facilities to substantially the same condition as they existed prior to the damage and the itemized price asked for such work; and (b) determine that amount of all insurance proceeds available to the Association for the purpose of effecting such repair, reconstruction and restoration.

7.1.2 Common Facilities; Sufficient Insurance Proceeds. Subject to the provisions of Section 7.1.1, if, in the event of damage to or destruction of any portion of any Common Facility, the insurance proceeds available to the Association are sufficient to cover the costs of repair, reconstruction and restoration, then the Association may cause such facilities to be repaired, reconstruction and restored; provided, however, that in the event of a total destruction of the Common Facility, the Association shall not be obligated to restore the facilitate to its prior appearance and condition if the Board's opinion, architectural or design modifications to the Facilities will result in providing the Members with an improved facility available for substantially the same use and enjoyment as the destroyed facility.

7.1.3 Common Facilities; Insurance Proceeds Insufficient in an Amount Exceeding Association Special Assessment Authority. In the event that any Common Facility is totally or substantially damaged or destroyed or, if, in the event of damage to or destruction of only a portion of the Common Facilities, the insurance proceeds and capital replacement reserves available to the Association for the repair, replacement or major reconstruction of the damaged or destroyed facility are insufficient in an amount exceeding the dollar amount that the Board can raise without prior Member approval then the issue of whether repair or replacement of the Common Facility should be funded by a Special Assessment shall be presented to the Members for approval in accordance with Section 6.7.3, above. The solicitation materials distributed to the Members in connection with any such vote shall include sufficient replacement cost and bid information to enable to the Members to make an informed decision and the issue shall be presented on the ballot with the following alternatives: (a) to repair, reconstruct and restore the damaged or destroyed Common Facilities and specially assess all Owners for such additional funds as may be needed for such purpose (with the amount of the Special Assessment stated); or (b) in the alternative, not to repair, reconstruct or restore the damaged or destroyed Common Facilities but rather to utilize the insurance proceeds available for such reconstruction, together with any other sums otherwise available to the Association for such purpose, to demolish and remove the damaged or destroyed improvements from the Common Area and to level and landscape the sites thereof and apply any balance of such proceeds and/or funds as the Members holding such voting power and their first mortgagees may determine.

#### 7.1.4 Damage or Destruction of Residences.

7.1.4.1 Obligation to Rebuild or Clear Damaged Structures. If all or any portion of any Residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of said Residence to rebuild, repair or reconstruct said Residence or clear the Lot of all damaged or destroyed structures or portions thereof. If structural improvements other than a Residence, garage or fence are damaged or destroyed and the Owner prefers not to rebuild the Improvement, the Owner shall clear his or her Lot of all damaged or destroyed materials and return the affected area to an attractive appearance.

7.1.4.2 Design Review Committee Approval. Any Owner whose Residence or other structural Improvements have been damaged or destroyed shall apply to the Design Review Committee for approval of plans for the reconstruction, rebuilding, or repair of the damaged or destroyed Residence or structure. Application for such approval shall be made in writing together with full and complete plans, specifications, working drawing and elevations showing the proposed reconstruction and the end result thereof. The Design Review Committee shall grant such approval only if the design proposed by the Owner satisfies the requirements for approval set forth in Section 9.2, below.

7.1.4.3 Time Limitation for Reconstruction or Removal. The Owner or Owners of any damaged Residence(s) and the Design Review Committee shall be obligated to proceed with all due diligence hereunder to remove damaged structures (or portions thereof), prepare and process reconstruction plans and specifications and complete the repair and restoration work. At a minimum, whenever Owners are required to prepare and submit repair or reconstruction plans to the Design Review Committee, said submittal shall be made within sixty (60) days following the event and reconstruction shall commence within thirty (30) days following receipt of approval from the Design Review Committee. Reconstruction shall be completed within six (6) months following receipt of Design Review Committee approval. For good cause (including, without limitation, delays caused by inclement weather or the processing of insurance claims) the Design Review Committee may waive or extend any of the deadlines imposed by this section. The Lot shall be cleared of all damaged or destroyed structures or portions within three (3) months following the event.

#### 7.2 Condemnation.

7.2.1 If all or part of the Common Area shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages for or on account of the taking of the Common Area, exclusive of compensation for consequential damages to certain affected Lots or Parcels, shall be payable to the Association as trustee for all Owners and mortgagees according to the loss or damages to their respective interest in the Common Area. The Association, acting through its Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation, settlement and litigation of the issues with respect to the taking and compensation affecting the Common Area. Each Owner hereby designates and appoints each Association as his or her attorney-in-fact for such purposes.

## ARTICLE 8 MAINTENANCE OF PROPERTY

8.1 Association Responsibilities. The Association is responsible for maintaining the following in good condition and repair:

8.1.1 Common Area and Common Facilities. The Association shall be solely responsible for all maintenance, repair, upkeep and replacement within the Common Area, including, without limitation the maintenance, snow plowing, and repair of private roads within the Development. This Association maintenance obligations shall extend to the golf cart, pedestrian and bicycle bridge over Grizzly Road, provided that the cost of such obligation shall be mitigated by the contributions provided for in Section 8.1.1.1 below. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Common Area. In addition, no person shall remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon the Common Area without express approval of the Association. Without limiting the foregoing, the Association shall be empowered to maintain and plow the private roads and shared driveway easements within the Development.

8.1.1.1 Golf cart/pedestrian/bicycle bridge over Grizzly Road. Notwithstanding the foregoing, maintenance, repair and replacement of the golf cart/pedestrian/bicycle bridge over Grizzly Road shall be subject to a maintenance agreement with the Golf Club, which the Golf Club and the Association shall enter into separately.

8.1.2 Maintenance of Open Space and Conservation Easements. Unless such maintenance is provided by the District or by a charitable trust or similar third-party, the Association shall be authorized and empowered to provide maintenance for Open Space and Conservation Easements within the Development in accordance with maintenance standards required by the Army Corps of Engineers or other responsible governmental agency. Without limiting the generality of the foregoing, the Association shall be authorized and empowered to delegate to the Grizzly Ranch Conservancy, a California nonprofit public benefit corporation, the right to enter into any area of the Development that are shown or designated on any Subdivision Map as "Conservation Easement Buffer and Development Setback Buffer" and to maintain such areas in accordance with the maintenance standards established by the Army Corps of Engineers.

8.1.3 Compliance with Mitigation Monitoring Program Under Planned Development Permit. Condition 24 of the Planned Development Permit adopts and incorporates by reference the Mitigation Monitoring Program that is set forth in Chapter 5 of the Final Supplemental Environmental Impact Report for Planned Development Permit PD 4-96/97-14. In instances of noncompliance with the mitigation measures, the Planning Department shall have the authority to require corrective action by the Association or the District as to mitigation measures and obligations that are within their respective jurisdictions (see also Section 8.9, below) said corrective action to be undertaken within a reasonable time, as determined by the Planning Department. If the responsible party does not take action, the Planning Department shall have the authority to initiate its own corrective actions, and seek reimbursement from the Association or the District, as the



case may be. Any other costs incurred by the County during monitoring, except those incurred for inspections which would otherwise be made, shall be reimbursed by the Declarant until such time as the Association is established and thereafter by the Association as to those mitigation and monitoring measures that are its responsibilities under the Mitigation and Monitoring Program.

8.2 Owner Maintenance Obligations. Each Owner shall be responsible for the maintenance and repair of his or her Residence, Lot and landscaping in a first class, neat and attractive appearance. Owners shall not permit their Lots to become unsightly, to pose an unreasonable threat of fire or safety hazard to neighboring Lots or Common Areas, or to pose an unreasonable threat to the condition of surrounding vegetation and property (e.g., by failing to remove diseased/infested trees or preventing erosion). In addition to the terms of Sections 4.1, maintenance by the Owner of the Lot or parcel shall consist of removal of dead or diseased/infested trees and vegetation, and such vegetation control as may be reasonable for fire prevention and safety purposes. In the event that the Owner responsible for landscape maintenance fails to do so properly, the Association, or its contractors, may enter the Lot and cause the appropriate work to be done and the Association shall be entitled to reimbursement for the costs thereof as a Reimbursement Assessment against the Owner. At least fifteen (15) days prior to the date any work is to be done by the Association, written notice must be hand-delivered or mailed by first-class mail to the Member at his/her last address as shown by the Association's records. The notice shall recite the nature of any work to be performed, the reasons therefore, the approximate cost of the work, and the date, time and place at which the Member may be heard by the Board, either orally or in writing, regarding the propriety and cost of the work. The hearing may be held at any regular or special meeting of the Board, but shall not be held less than five (5) days prior to the date the work is to be done. Once the work is performed, the Association shall be entitled to charge the costs of the work to the Owner as a Reimbursement Assessment. If the cost of the work to be charged to the Owner is significantly higher than the estimated cost previously given to the Owner, the Owner must be called to an additional hearing before the Reimbursement Assessment may be levied. Although under no obligation to do so, the Board, in its complete and sole discretion, may enter or may authorize the Association's agents to enter any Lot to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Lot, any other Lot or the Common Area. The cost of performing any such emergency repairs shall be charged to the Owner as a Reimbursement Assessment. Such entry shall be made with as little inconvenience to the occupants as practicable.

8.3 Compliance With Architectural Provisions. An Owner's right and responsibility for maintaining, repairing or replacing any portions of his or her Lot, including landscaping, shall be subject to any applicable provisions of the Governing Documents relating to landscaping and architectural control, including Article 9.

8.4 Association Recovery of Costs of Certain Repairs and Maintenance.

8.4.1 Association Maintenance Caused by Owner Negligence. If the need for maintenance or repair, which would otherwise be the Association's responsibility hereunder is caused through the willful or negligent acts of an Owner, his or her family, guests, tenants, or invitees, and is not covered or paid for by Association insurance policies or any liability insurance maintained by the responsible Owner, the cost of such maintenance or repairs shall be subject to recovery by the Association through the

imposition of a Reimbursement Assessment against the offending Owner in accordance with Section 6.8, above.

8.4.2 Owner Defaults in Maintenance Responsibilities. If an Owner fails to perform maintenance or repair functions on the Owner's Lot for which he or she is responsible, the Association may give written notice to the offending Owner with a request to correct the failure within fifteen (15) days after receipt thereof. If the Owner refuses or fails to perform any necessary repair or maintenance, the Association may exercise its rights under Section 8.10, below, to enter the Owner's Lot and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing in accordance with Section 10.5, below.

8.4.3 Sub-Association Defaults in Maintenance Responsibilities. The same enforcement authority described in Section 8.4.2, above, with respect to Owner defaults shall exist in favor of the Association with respect to any default by a Sub-Association in the performance of maintenance or repair obligations imposed on the Sub-Association pursuant to any Supplemental Declaration. The costs and expenses incurred by the Association under such circumstances shall be reimbursed, in full, by the Sub-Association.

8.5 Golf Course Maintenance.

8.5.1 Golf Course Appearance. Each Owner acknowledges and agrees that neither the Association nor any Owner shall have any right to compel the Golf Course owner to maintain the Golf Course or any improvements thereon to any particular standard of care and that the appearance of the Golf Course and improvements shall be determined in the sole discretion of the Golf Course owner.

8.5.2 Golf Course Cart Paths. Portions of the golf cart path system may be situated within the Common Area. No Owner or invitee shall have any right to use any portion of the golf cart path system, including any portion situated on the Common Area without the prior approval of the owner or manager of the Golf Course. The Golf Course owner shall have the sole duty and obligation to maintain any portion of the golf cart path system which may be located within the Common Area.

8.5.3 Streams, Ponds and Water Features.

8.5.3.1 The Golf Course owner shall have the sole duty and obligation to maintain the water features located throughout the Development, including the streams, waterfalls, creeks, and fishing pond stocked with trout or other fish. The Association shall enter into an easement agreement with the owner of the Golf Course pursuant to which the Association and its Members shall be granted an easement to access the fishing pond, which easement may include a cost sharing arrangement covering certain maintenance costs incurred by the Golf Course in connection with its fishing pond.

8.5.3.2 No Owner or invitee shall have any right to use any portion of the water features located throughout the Development, including any portions of the streams, waterfalls, creeks, and fishing pond situated on or adjacent to such

Owner's Lot or the Common Area, whether for swimming, fishing, boating or other recreational purposes, except as provided for in the easement agreement for use of the fishing pond referred to in Section 8.5.3.1, above.

8.5.4 Access Easement on Adjoining Lots for Maintenance. As more particularly provided in Section 8.5.5, below, the owner of the Golf Course shall have the right to enter upon any unimproved areas of Lots that share a common boundary line with any Golf Course fairway for the purpose of maintaining a clean and attractive edge from the Golf Course fairway into the adjacent Lot. Conversely, Owners which share a common boundary line with Golf Course fairways may make arrangements with the owner of the Golf Course to permit such Owner to extend landscaping up to Lot setbacks, pursuant to a revocable license, so as to maintain an attractive transition from the Golf Course to adjacent Lots at the expense of the Owner.

8.5.5 Authority to Maintain Property Adjacent to Golf Course. If either the Association or an Owner fails to maintain any landscaping situated within thirty (30') feet of the Golf Course or at or along the entry to the Development ("defaulting party"), the owner of the Golf Course shall have the right, but not the duty, to maintain the landscaping or to clear brush at the sole cost and expense of the defaulting party. If the owner of the Golf Course desires to perform any such maintenance authorized by the preceding sentence, the owner of the Golf Course shall first notify the defaulting party in writing and provide the defaulting party with at least thirty (30) days from the date of the notice to perform such maintenance. If the defaulting party fails to commence and complete such maintenance within such thirty (30) day period, the owner of the Golf Course shall have the right, in the nature of an easement, to enter the Lot or Common Area on which the maintenance is required (i.e., the thirty (30') foot area adjacent to the Golf Course) during reasonable business hours and perform such maintenance. The defaulting party shall reimburse the owner of the Golf Course for the costs of performing any such maintenance within ten (10) days after receipt of a demand for reimbursement.

## 8.6 Cooperative Maintenance Obligations.

8.6.1 Cooperation Among Association, Owners and Owner of Golf Course, Generally. To the extent necessary or desirable to accomplish the Association's maintenance obligations hereunder, individual Owners shall cooperate with the Association and (with respect to Lots adjacent to the Golf Course) the Golf Course owner, and the agents and maintenance personnel of the Association and/or the Golf Course owner in the prosecution of their respective maintenance activities.

8.6.2 Assumption of Association Maintenance Responsibilities by Golf Course Owner. The Association maintenance responsibilities, either expressly or impliedly referred to in Section 8.1, above, may be assumed and discharged by the owner or operator of the Golf Course pursuant to a Maintenance Agreement negotiated between the Association and the Golf Course owner (See Section 8.6.5, below).

8.6.3 Management of Swim and Fitness Center. The Association may enter into agreements with the owner of the Golf Course for the use of the Swim and Fitness Center, which agreements may include a reciprocal easement and maintenance agreement

which would also create an easement in favor of the Swim and Fitness Center to use the Golf Course's parking facilities.

8.6.4 Maintenance of Golf Cart, Pedestrian and Bicycle Bridge Over Grizzly Road. The Association shall enter into an easement and contribution agreement with the owner of the Golf Course pursuant to which the Association shall grant an easement to the owner of the Golf Course and the owner of the Golf Course shall be obligated to contribute to the costs associated with the Association's maintenance of the pedestrian and bicycle bridge over Grizzly Road.

8.6.5 Execution of Maintenance Agreements. The Association may enter into agreements, contracts, declarations or other documents ("Maintenance Agreements") for periods not to exceed one (1) year with the owner of the Golf Course or local governmental agencies as the Board deems appropriate.

8.7 Drainage Structures, Ditches and Swales.

8.7.1 All drainage structures, culverts and canals improved by the Association for the major collection of storm runoff and any natural drainage courses within Common Areas shall be maintained regularly by the Association.

8.7.2 Except as provided in Section 8.7.1, above, each Owner shall keep drainage courses, ditches and swales on his or her Lot free and clear of all obstructions, and shall, in cooperation with contiguous property Owners (including the Association and the Golf Course owner as to any contiguous parcels owned by them), maintain all such drainage ditches, swales and culverts common to their Lots in good order.

8.7.3 No Owner or resident shall alter or obstruct a natural drainage course, or materially add to the natural water volume of said drainage course without making adequate provisions with respect to neighboring Lots and Common Areas. Any such alterations, obstructions, or additions to water volume shall be considered a work of Improvement that is subject to prior review and approval by the Design Review Committee.

8.8 Owner Liability. In the event the need for any maintenance, repair, or replacement by the Association is necessitated by the willful or negligent act or omission of an Owner, members of any Owner's household, or an Owner's tenants, Contract Purchaser, guests, invitees, or household pets, the cost of such maintenance, repair, or replacement, including the cost of materials, labor, supplies, and services shall be charged to, and paid by, such Owner in the form of a Reimbursement Assessment.

8.9 Community Services District Maintenance Responsibilities.

8.9.1 Responsibilities of the Community Services District. At the inception of the Development a Community Services District was formed to provide governance over the future community of Grizzly Ranch through an entity with all permitted powers/uses allowed under the Community Services District Law of the State of California (Government Code Section 61000, et seq.), and specifically to provide the following services, among others, at the inception of the Development:

8.9.1.1 Water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation;

8.9.1.2 The collection, treatment or disposal of sewage and waste water;

8.9.1.3 The collection or disposal of solid waste matter; and

8.9.1.4 Ongoing monitoring and maintenance of installed drainage and sediment control facilities and plans.

8.10 Authority for Entry of Lot. The Association or its agents may enter any Lot or Residence, whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any maintenance, repair, construction, or replacement for which the Association is responsible for which it is authorized to perform, including without limitation the authorization provided in Section 8.4.2, above. Although under no obligation to do so, the Board, in its complete and sole discretion, may enter or may authorize the Association's agents to enter any Lot to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Lot, any other Lot or the Common Area. The cost of performing any such emergency repairs shall be charged to the Owner as a Reimbursement Assessment. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations.

8.11 Association Liability. Except as specifically provided in Section 8.1, above, the Association shall not be responsible or liable for any maintenance, repair, or replacement of a Lot or any Improvement thereon, except to the extent that the need for such maintenance, repair, or replacement results from the gross negligence of the Association, its employees, contractors, or agents.

8.12 Board Discretion. The Board shall have the discretion to determine the manner, method, extent and timing of the performance of any and all maintenance, repair and replacement obligations imposed upon the Association by this Article.

8.13 Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance and repair obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of its work.

## **ARTICLE 9 ARCHITECTURAL CONTROL**

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9.1 Submission of Plans and Specifications. Except for Improvements made, or constructed by, or on behalf of, the Association, no Improvements may be commenced, located, erected, painted or maintained within the Development, nor may any exterior addition to, or change, or alteration therein or alteration to the finished grade elevation, be made until the plans and specifications showing the nature, kind, shape, color, height, size, materials, and location of the same shall have been submitted to and approved in writing by the Design Review Committee as to: (a) quality of workmanship and design; (b) harmony of external design in relation to the nature and character of the Development and the Improvements thereon; (c) location in relation to surrounding structures, topography, finished grade elevation; and (d) compliance with the provisions of the Declaration.

9.1.1 Exempted Parcels. Notwithstanding the foregoing, Parcel S, as shown on that certain subdivision map, recorded in Book 9, Pages 139-145, is undesignated on the PDP, and therefore not provided with development rights or obligations, is exempt from the design review and approval process as a result of the restrictions already in place on those parcels as described below, and those parcels may be improved in accordance with their applicable restrictions without an application to, or approval from, the Design Review Committee. In the event the specified use of the parcels changes and/or improvements are planned that vary from the current restrictions, the provisions of this Article 9 shall apply. Proposed uses of Parcel S would be restricted to the Fire District; excluding any residential or commercial development.

9.2 Minimum Construction Standards. Unless a variance is requested from, and granted by, the Design Review Committee in accordance with Section 9.28, below, Improvements constructed on any Lot shall conform to the Design Guidelines.

9.3 Establishment and Composition of Design Review Committee, Generally.

9.3.1 Except as provided in Sections 9.3.2 and 9.3.3, below, the Board shall appoint a Design Review Committee that shall consist of at least three (3) Members to be selected by the Board, who serve at the pleasure of the Board. The Design Review Committee shall be a committee as provided for in Article 10 of the Bylaws. The Board of Directors shall have the power, in its complete discretion and either with or without cause, to remove any member of the Design Review Committee. In the event of death, resignation or removal of any member of the Design Review Committee, the Board of Directors shall have the full authority to designate a successor. Design Review Committee members are not required to have any special expertise, training, education or experience. The Design Review Committee may engage the services of engineers, architects, landscapers or other professions to act as consultants for the committee for compensation, but such individuals shall not be entitled to vote on any committee actions or decisions.

9.3.2 The Board may, in its discretion, elect to act as the Design Review Committee without appointing the separate committee provided for in this Section, subject to the rights of the Golf Course Owner set forth below.

9.3.3 If a duly-constituted Design Review Committee is not in existence, or if the Board elects to act as the Design Review Committee, the Board shall act as the Design Review Committee in accordance with the terms of this Article.

9.3.4 Authority of the Owner of the Golf Course to Appoint a Member of the Design Review Board. Notwithstanding the foregoing authority of the Board of Directors to appoint members of the Design Review Committee, the Owner of the Golf Course may continue to have a representative on the Design Review Committee, with full voting rights until the earlier to occur of the following events: (i) the Golf Course Owner's voluntary relinquishment of this power of appointment in a writing delivered to the Board of Directors; or (ii) the completion of construction of Residences on ninety percent (90%) of all Lots sharing a common boundary with any Golf Course real property. When the Design Review Committee is a true committee of the Association, the Board, in its discretion, may implement a system of staggered terms for Design Review Board

members in order to provide assurance of continuity and experience in the administration of the Design Review Board's duties and responsibilities hereunder.

9.3.5 Qualifications for Appointment. The appointees of Declarant, if any, and the Golf Course Owner need not be Owners of Lots and do not need to possess any special qualifications of any type except such as the Declarant/Golf Course Owner may, in its discretion, require. All persons appointed to the Design Review Board by the Association's Board of Directors must be Members of the Association and Owners of Lots within Grizzly Ranch.

9.4 Duties. It shall be the duty of the Design Review Committee to consider and act upon proposals or plans submitted to it, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.

9.5 Terms of Office of Design Review Committee Members. With the exception of those Design Review Committee members appointed by the Declarant, if any, and the owner of the Golf Course (if appointment authority is delegated to the owner of the Golf Course) and unless the Association implements a system of staggered terms for Design Review Committee members, all members of the Design Review Committee shall serve for one year terms, subject to the right of the Board to reappoint incumbent Design Review Committee members to consecutive terms of office. During the period when the Declarant has the authority to appoint a majority of the members of the Design Review Committee, the Declarant shall appoint one Design Review Committee person as chair.

9.6 No Compensation for Services; Reimbursement of Expenses. Neither the members of the Design Review Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to this Declaration, unless they are professionals in design, construction, architecture, engineering, or other field relevant to design review, and are specifically appointed to the Design Review Committee in their professional capacity and compensation is paid for those professional services. The Design Review Committee members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any Design Review Committee functions. Requests for reimbursement shall be supported by adequate documentation and shall be submitted to, and approved by, the Board of Directors. Nothing herein shall limit the right of the Association from retaining the services of a person or persons as employees or independent contractors (including an architect and/or engineer) with responsibility for assisting the Design Review Committee in such matters as: (a) the day-to-day administration of the process of Design Review and approval; (b) the intake and review of plans and specifications; (c) communications with plan applicants; (d) making recommendations to the Design Review Committee with respect to the approval, denial or modification of submitted plans and specifications; and (e) communications with Owners and contractors during the course of construction.

9.7 Meetings. The Design Review Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the Design Review Committee members shall constitute an act by the Design Review Committee and the Design Review Committee shall keep and maintain a written record of all actions taken.

The Owner-Applicant shall be entitled to appear at any meeting of the Design Review Committee at which the Owner's proposal is scheduled for review and consideration. The Owner shall be entitled to be heard on the matter and may be accompanied by his or her architect, engineer and/or contractor. Reasonable notice of the time, place and proposed agenda for Design Review Committee meetings shall

be communicated before the date of the meeting to any Owner-Applicant whose application is scheduled to be heard.

9.8 Design Guidelines. The Design Review Committee may, from time to time, prepare and recommend rules and regulations to be known as "Design Guidelines" to the Board of Directors for the Board's consideration and possible adoption. Such Design Guidelines, like all other Association Rules, must be adopted by the Board of Directors pursuant to the rule-adoption procedures in the Association's governing documents and California law, before they can be enforced. The Design Guidelines shall interpret and implement the provisions of this Declaration that pertain to Improvement projects and may address the following:

9.8.1 The procedures for Design Review Committee review and approval of Owner submittals of proposed Improvement projects (including, without limitation, minimum requirements for submitting a complete application for project approval);

9.8.2 Requirements for the construction of Improvements, including, without limitation, architectural design, placement on Lots (consistent with the set-back requirements imposed by the Declaration or Design Guidelines, as applicable), color schemes, exterior finishes and materials and similar features which are recommended or required for use on any Improvements or categories of Improvements within the Development. Without limitation, these guidelines may include charts of approved colors, typical plans and specifications for commonly recurring projects, such as fencing, and the manner in which the height or number of stories of a Residence are to be determined (particularly in the case of Residences built on Lots with steep slopes);

9.8.3 The Guidelines can identify categories of Improvement projects or components of the plan review and approval process which can be administered by the Association staff or other designee of the Design Review Committee without the need for direct involvement by the Design Review Committee in order to expedite the processing of applications for approval. In the event that the Design Review Committee determines that certain project approvals or plan processing requirements can appropriately be administered by the Association staff or other Design Review Committee designee, such delegation and the scope thereof shall be specified in the Rules;

9.8.4 The criteria and procedures for requesting variances from any property use restrictions or minimum construction standards that would otherwise apply to the proposed Improvement under the Governing Documents;

9.8.5 Minimum requirements for the maintenance, supervision and restoration of construction sites by Owners and their contractors. Without limiting the foregoing, the Guidelines may specifically regulate the activities of contractors and subcontractors (including, without limitation, hours of permitted construction activity), who shall be deemed to be the Owner's agents for purposes of rules enforcement and compliance matters;

9.8.6 Minimum requirements for the landscaping of areas of the Lot that are disturbed by construction activity, which require particular landscape Improvements or which encourage minimal use of landscape irrigation in order to control drainage, limit runoff, avoid erosion and/or risk to native trees, to otherwise enhance the appearance of the Lot;



9.8.7 Any requirements for the payment of inspection/plan processing fees and deposits to assure the Owner's/contractor's proper and timely performance in accordance with the approved plans and specifications and the application, use and/or refund of such fees and deposits;

9.8.8 Uniform and reasonable time limitations for completion of approved Improvement projects or other duly noted compliance matters. Said rules may also include procedures to request an extension of the usual completion time in order to avoid hardship or to accommodate other factors beyond the Owner's reasonable control which have interrupted the progress of the Improvement project;

9.8.9 Procedures permitting expedited or summary approval of minor projects by the Association staff where ministerial (i.e., nondiscretionary) review and approval is appropriate.

9.9 Application.

9.9.1 Application Requirements. Any Owner proposing to perform any work of any kind whatever, which requires prior approval pursuant to this Article, shall apply for approval by notifying the Association, in writing, of the nature of the proposed work and furnishing such information and documentation as the Design Review Committee or Board may require, including without limitation samples of proposed paints and other finish materials in such sizes and formats as the Committee or the Board may deem appropriate. In addition to any other remedies the Association may have, the Board may impose a fine against any Owner who fails to obtain the approval required by this Article prior to proceeding with any Improvement, or any alteration to an existing Improvement, for which approval is required pursuant to this Article.

9.9.2 Inspection Fee. The Design Guidelines may require that the submission of plans and specifications be accompanied by a reasonable fee. The Design Guidelines may also provide for a cash deposit procedure to help ensure proper and timely completion of works of Improvement in accordance with approved plans and specifications and to reimburse the Association for damage to roadways and other Common Facilities resulting from the Owner's construction project.

9.10 Delivery of Plans and Specifications. Plans and specifications shall be submitted to the Design Review Committee by personal delivery or first-class mail addressed to the Secretary of the Association or the Chairman of the Design Review Committee at the Association's principal office.

9.11 Expert Review; Employment of Architect or Engineer. If at any time the Design Review Committee determines that it would be in the best interests of the Association and its Members for an applicant to employ an architect, licensed building designer or engineer to design or review any proposed Improvements or component thereof, the Design Review Committee shall advise the applicant in writing of its determination whereupon all plans and specifications so designated by the Design Review Committee must thereafter bear appropriate evidence of such preparation or review.

9.12 Basis for Approval of Improvements. The Design Review Committee shall grant the requested approval only if:

9.12.1 The plans and specifications for the project conform to this Declaration and to the Design Guidelines in effect at the time the plans and specifications are submitted to the Design Review Committee;

9.12.2 The Improvement, if approved and constructed in accordance with the approved plans and specifications, will be in harmony with the external design and appearance of other structures and/or landscaping within the Development;

9.12.3 The Improvement, as a result of its appearance, location or anticipated use, will not interfere with the reasonable enjoyment of any other Owner of his or her property; and

9.12.4 The proposed Improvement(s), if approved, will otherwise be consistent with the architectural and aesthetic standards prevailing within Grizzly Ranch and with the overall plan and scheme of the Development, as that plan and scheme of development is reasonably interpreted and applied by the Design Review Committee in its discretion.

Without limiting the foregoing, the exterior elevations of any structures (including fencing) and landscaping undertaken by any Owner or Resident on any Lot located adjacent to, and within twenty-five (25') feet of any Golf Course fairway must be approved by the representative of the Golf Course owner serving on the Design Review Committee, if any, and said approval not to be unreasonably withheld.

While it is recognized that the Design Review Committee's determination to either approve, or to deny approval, of a proposed Improvement project will, of necessity, be subjective to some degree, the members of the Design Review Committee shall act reasonably and in good faith and shall consider such factors as the quality of workmanship and materials proposed for the Improvement project, the harmony of its exterior design, finished materials and color with that of other existing structures, and the proposed location of the Improvement in relation to the existing topography, finished grade elevations, roads, Common Areas and other existing structures.

The approval by the Design Review Committee of any plans, drawings or specifications for any work of Improvement done or proposed, or for any other matter requiring the approval of the Design Review Committee under this Declaration, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or some other Owner. Different locations for Improvements, the size of the structure, proximity to other Residences or Common Facilities and other factors may be taken into consideration by the Design Review Committee in reviewing a particular submittal. Accordingly, the Design Review Committee shall be entitled to determine that a proposed Improvement or component thereof is unacceptable when proposed on a particular Lot, even if the same or a similar Improvement/component has previously been approved for use at another location if factors such as drainage, topography, noise or visibility from roads, Common Areas or other Lots or prior adverse experience with the product, the design or with similar Improvements mitigate against erection of the

Improvement or use of a particular component thereof on the Lot involved in the Owner's submittal.

In approving a request for construction of an Improvement, the Design Review Committee may condition approval upon the adoption of modifications in the plans and specifications or observance of restrictions as to location, noise abatement or similar mitigating conditions.

9.12.5 Improvement Projects Adjacent to the Golf Course. No Owner may construct or alter any Improvement within twenty-five (25) feet of any Golf Course fairway without the express written approval of the owner of the Golf Course. In no event shall a Lot adjacent to any Golf Course fairway be improved so as to permit direct golf cart access from the Lot to the adjacent fairway.

9.13 Form of Approval. All approvals and denials of requests for approval shall be in writing except as provided in Section 9.14, below. The Design Review Committee may approve a request for approval subject to the Owner's consent to any modifications made by the Design Review Committee. If the Owner does not consent to the modifications, the request for approval shall be deemed denied in its entirety. Any approval or approval with modifications shall become effective on the thirty-first (31) day following the date of such approval, subject to Board review as provided in Section 9.15, below. Any denial of a request for approval shall include: (a) an explanation of why the request for approval was denied; and (b) a description of the procedure for Board review of the denial as set forth in this Article and any applicable Design Guidelines.

9.14 Time for Design Review Committee Action. Within thirty (30) days after submission of plans and specifications satisfying the requirements of the Design Guidelines, the Design Review Committee shall return one (1) set of such plans to the applicant, with either written notice of approval or disapproval or with written suggestions of changes required for approval. If written suggestions of changes required for approval accompany the returned set of plans, the applicant may implement such changes to the plans and within thirty (30) days resubmit plans incorporating such changes for approval to the Design Review Committee, which shall not unreasonably withhold its approval so long as the Owner has complied in all material respects with the requested changes. If no written notice of approval or disapproval is received by the applicant within thirty (30) days after the Owner's plans and specifications (or revisions thereto) are submitted to the Design Review Committee, the plans shall be deemed to have been approved as submitted.

9.15 Board Review. This section shall only apply if there is a duly organized Design Review Committee, and shall not apply if the Board is acting in the capacity of a Design Review Committee pursuant to this Article. An Owner shall have a right to appeal the decision of the Design Review Committee to the Board, provided that such request shall be presented to within ten (10) days from the date of the Design Review Committee's decision. If a review is conducted: (a) it shall take place during an open meeting of the Board; (b) the Board may affirm, reverse or modify the decision in its discretion and in accordance with the provisions of the Governing Documents; and (c) the Board shall notify the applicant in writing of the Board's decision within fifteen (15) days following the review.

9.16 Modifications to Approved Plans Must Also Be Approved. Once a proposed work of Improvement has been duly approved by the Design Review Committee, no material modifications shall be made in the approved plans and specifications therefore and no subsequent alteration, relocation, addition or modification shall be made to the work of Improvement, as approved, without a separate

submittal to, and review and approval by, the Design Review Committee. If the proposed modification will have, or is likely to have, a material effect on other aspects or components of the work, the Design Review Committee, in its discretion, may order the Owner and his or her contractors and agents to cease working not only on the modified component of the Improvement, but also on any other affected component.

In the event that it comes to the knowledge and attention of the Association, its Design Review Committee, or the agents or employees of either that a work of Improvement, or any modification thereof, is proceeding without proper approval, the Association shall be entitled to exercise the enforcement remedies specified in Article 10, below, including, without limitation, ordering an immediate cessation and abatement of all aspects of the work of Improvement by "red tagging" the project until such time as proper Design Review Committee review and approval is obtained.

9.17 Commencement. Upon receipt of approval from the Design Review Committee, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement of construction and erection of the Improvement and excavation pursuant to said approval, said commencement to be, in all cases, within six (6) months from the date of such approval, and the project shall be diligently pursued to completion. If the Owner shall fail to comply with this section, any approval given pursuant to this Article, shall be deemed revoked unless the Design Review Committee, upon written request of the Owner made prior to the expiration of the initial six (6)-month period, extends the time for commencement or completion. No such extension shall be granted except upon a finding by the Design Review Committee that there has been no change in the circumstances upon which the original approval was granted and that the Owner has a bona fide intention and ability to complete the project within the time specified in the extension request.

9.18 Completion. The Owner shall, in any event, complete the installation, construction, reconstruction, refinishing, or alteration of any Improvement, within one (1) year after commencing construction thereof (or in the case of projects under construction when this Declaration is Recorded, within one (1) year after the date of Recordation), except and for as long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his/her agents. If an Owner fails to comply with this section, the Board shall proceed in accordance with the provisions of Article 10, below, as though the failure to complete the Improvements was a noncompliance with approved plans.

9.19 Failure to Complete Work. Unless the Owner has been granted an extension of time to complete the project by the Design Review Committee, construction, reconstruction, refinishing or alteration of any such Improvement must be complete within one (1) year after construction has commenced, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner because of strikes, fires, national emergencies, natural calamities or other supervening forces beyond the control of the Owner or his or her agents.

In the case of building Improvements the requirements of this section shall be deemed to have been met if, within the one-year construction period, the Owner has completed construction of the building's foundation and all exterior surfaces (including the roof; exterior walls, windows and doors). If the Owner fails to comply with this section, the Design Review Committee shall notify the Board of such failure, and the Board shall proceed in accordance with the provisions of Article 10, as though the failure to complete the Improvement was a noncompliance with approved plans.

9.20 Inspection. Inspection of the work relating to any approved Improvement and correction of defects therein shall proceed as follows:

9.20.1 During the course of construction, representatives of the Design Review Committee shall have the right to inspect the job site to confirm that the work of Improvement is proceeding in accordance with the approved plans and specifications.

9.20.2 Upon the completion of any work of Improvement for which Design Review Committee approval is required under this Article, the Owner shall give the Design Review Committee a written notice of completion.

9.20.3 Within thirty (30) days thereafter, the Design Review Committee, or its duly authorized representative, may inspect the Improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with the approval plans. If the Design Review Committee finds that the Improvement was not erected, constructed or installed in substantial compliance with the Owner's approved plans, then within the thirty (30) day inspection period, the Design Review Committee shall give the Owner a written notice of noncompliance detailing those aspects of the project that must be modified, completed or corrected. If the Owner shall have failed to remedy such noncompliance upon the expiration of thirty (30) days from the date of such notification, the Design Review Committee shall notify the Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged noncompliance. The hearing shall be noticed and conducted in accordance with Section 8.1.4 of the Bylaws.

9.20.4 If for any reason the Design Review Committee fails to notify the Owner of any noncompliance within thirty (30) days after receipt of the Owner's notice of completion, the Improvement shall be deemed to have been constructed in accordance with the approved plans for the project, unless the Owner knows of the noncompliance and intentionally misleads the Design Review Committee with respect thereto.

9.21 Landscaping. As specified in Section 1.24, above, landscaping shall be deemed to be a work of Improvement requiring Design Review Committee approval hereunder. Landscaping shall include lawns, shrubs, trees and flowers. The use of artificial materials such as plastic plants, or flowers, astro turf, or gravel gardens will be disapproved by the Design Review Committee, except as required by law. All approved landscaping must be completed within sixty (60) days after a notice of occupancy has been filed with the County for the Owner's Residence and, in the event that the landscaping has not been completed by the occupancy date, the Design Review Committee may, in its discretion, require an Owner-Applicant to post a bond in an amount not to exceed the estimated cost of the landscaping work, or a cash deposit not to exceed one thousand dollars (\$1,000.00) in lieu thereto, to ensure the applicant's timely completion of the landscaping work. Rather than requiring a separate landscaping deposit the Design Review Committee may elect to rely on a single cash deposit covering all aspects of the project.

9.22 Non-Waiver. The approval by the Design Review Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Design Review Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

9.23 Estoppel Certificate. Within thirty (30) days after written demand is delivered to the Association by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board shall Record an estoppel certificate, if permitted by the County of Plumas, certifying (with respect to any Lot of such Owner) that as of the date thereof, either: (a) all Improvements made and other work completed by such Owner comply with this Declaration; or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner, or from anyone deriving any interest in a Lot through him or her, shall be entitled to rely on such certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and all Owners and such persons deriving any interest through them.

9.24 Notice of Noncompliance. If any Improvements are installed within the Development that are not in conformance with this Declaration, the Association is authorized to Record a notice of noncompliance, if permitted by the County. The notice of noncompliance shall provide: (a) a legal description of the Lot affected; (b) the name of the record Owner as most recently reported to the Association; and (c) a description of the general nature of the noncompliance. If and when such Lot is brought into compliance with this Declaration, as determined by the Board, the Association shall issue and, if permitted by the County of Plumas, Record an estoppel certificate in accordance with Section 9.23, above. Each Owner of a Lot, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to the recordation of notices of noncompliance as set forth in this Section.

9.25 Liability. Neither the Board, the Design Review Committee nor any member or representative thereof shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) the development of any property within the Development; (d) the execution and filing of an estoppel certificate pursuant to Section 9.23, above, whether or not the facts therein are correct; provided, however, that the Design Review Committee, the Board or any member or representative thereof has acted in good faith on the basis of such information as may be possessed by it or him or her; or (e) the execution and filing of a notice of noncompliance pursuant to Section 9.24, above, whether or not the facts therein are correct; provided, however, that the Design Review Committee, the Board or any member or representative thereof has acted in good faith on the basis of such information as may be possessed by it or him or her. Without in any way limiting the generality of the foregoing, the Design Review Committee, the Board or any member or representative thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Design Review Committee. Every purchaser, by acquiring title to a Lot or portion thereof agrees not to bring any action or suit against the Board, the Design Review Committee, or their members or representatives seeking to recover any such damages.

9.26 Limitation on Liability. Design Review Committee approval of plans shall not constitute a representation, warranty or guarantee, whether express or implied, that such plans and specifications comply with good engineering design or with zoning or building ordinances, or other governmental regulations or restrictions. By approving any Owner's plans and specifications, neither the Design Review Committee, the members thereof, the Association, any Member thereof, nor the members of the Board assumes any liability or responsibility therefor, or for any defect in the structure constructed from such plans or specifications. Neither the Design Review Committee, nor any member thereof, the

Association, any Member thereof, the members of the Board nor the Declarant shall be liable to any Member, Owner, occupant, or other person or entity for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; or (b) the construction or performance of any work, whether or not pursuant to the approved plans, drawings, and specifications.

9.27 Compliance with Governmental Requirements. The application to the Association, and the review and approval of any proposals, plans, or other submittals, shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements, the responsibility for which lies solely with the respective Owner, nor shall it constitute the assumption of any responsibility by or impose any liability on the Board, the Design Review Committee, or their members as to the accuracy, efficacy, or sufficiency of such proposals, plans or other submittals.

9.28 Variances. The Design Review Committee may, with approval of the Board, grant reasonable variances in any procedures specified in this Article 9 in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardship, provided the following conditions are met:

9.28.1 The Design Review Committee must make a good faith written determination that: (a) the requested variance does not constitute a material deviation from the overall plan and scheme of the Development or from any restriction contained in the Declaration or that the proposal allows the objectives of the violated restriction(s) to be substantially achieved despite noncompliance; (b) that the variance relates to a restriction or requirement that is unnecessary or burdensome under the circumstances; or (c) that the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Lot, Common Area or Owner in the Development.

9.28.2 After the conclusion of the hearing, the Design Review Committee shall consult with the Board to render a determination to either grant or deny the request for variance in accordance with the standards set forth in this section.

9.29 Compliance Certificate. Within thirty (30) days after written demand is delivered to the Design Review Committee by any Owner, the Design Review Committee shall provide the requesting Owner with a certificate, executed by any two (2) of its members, certifying (with respect to any Lot owned by the applicant Owner) that as of the date thereof, either: (a) all Improvements made and other work completed by said Owner comply with this Declaration; or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner, or from anyone deriving any interest in said Lot through the Owner, shall be entitled to rely on the Design Review Committee's compliance certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, the Design Review Committee, all Owners and any persons deriving any interest through them.

## **ARTICLE 10 ENFORCEMENT**

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10.1 Violations as Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance. In addition to any other remedies which may be available, such nuisance may be abated or enjoined by the

Association, its officers, the Board or by any Owner. The Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and its Members as a whole.

10.2 Violation of Law. Any violation of a state, municipal or local law, ordinance or regulation pertaining to the ownership, occupancy, or use of any property within the Development is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.

10.3 Owners' Responsibility for Conduct and Damages. Each Owner shall be fully responsible for informing the members of his or her household and his or her tenants, Contract Purchasers, contractors and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, any Governing Document violation of any of them, and for any damage to the Development or the Association resulting from the negligent or intentional conduct of any of them or any household pets. If a Lot is owned jointly by two (2) or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several.

10.4 No Avoidance. No Owner may avoid the burdens or obligations imposed by the Governing Documents through non-use of any Common Area facilities, if any, or by abandonment of his or her Lot.

10.5 Rights and Remedies of the Association.

10.5.1 Enforcement Rights. The Association, its Directors, officers, or agents, and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or through the use of such other remedies as are available and deemed appropriate by the Board. Each remedy provided is cumulative and not exclusive. The Board shall not be obligated to take action to enforce a provision of the Governing Documents if, in the exercise of its discretion, the Board determines that acting to enforce the provision is not likely to foster or protect the interests of the Association and its Members as a whole.

10.5.2 Imposition of Sanctions. In the event of a breach or infraction of any provision of the Governing Documents by an Owner, members of an Owner's household, or his or her tenants, Contract Purchasers, contractors, guests or invitees, the Board shall have the power to impose sanctions against the Owner. Such sanctions may include, without limitation, the imposition of fines and/or the suspension of an Owner's rights as a Member, including an Owner's right to use the recreational or community facilities, if any, on the Common Area. Except as provided in Section 10.7, below, imposition of sanctions shall be effective only after notice and an opportunity for hearing as provided in Section 8.1.4 of the Bylaws. The payment of any such fine may be enforced as an Enforcement Assessment as provided in Section 6.9 of this Declaration as well as in any manner permitted by law. Further, each Owner shall be obligated to pay Reimbursement Assessments levied by the Board for reimbursement of any costs incurred by the Association relating to violation of any provisions of the Governing Documents by the members of such Owner's household and such Owner's tenants, Contract Purchasers, guests, pets, or other invitees.



**10.5.3 Inadequacy of Legal Remedy.** Except for the non-payment of any Assessment levied pursuant to the provisions of Article 6 of this Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of any of the terms and provisions of any of the Governing Documents or for the breach or violation of any such provisions is inadequate and that the failure of any Owner or a member of the household of any Owner or an Owner's tenants, guests, or household pets or any other occupant or user of any of the property within the Development to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association, its Officers or Board of Directors, or by any Owner or by their respective successors in interest.

**10.5.4 Limitation on Disciplinary Rights.** The Association shall not have the power and authority to cause a forfeiture or abridgment of a Member's right to the full use and occupancy of his or her Lot as the result of the failure by such Owner, members of such Owner's household, or his or her tenants, guests, invitees or household pets to comply with any provision of the Governing Documents, except where such forfeiture or abridgment is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay Assessments levied by the Association pursuant to Article 6 of this Declaration. The provisions of this subsection shall not affect the Association's right to impose fines or monetary penalties or to suspend an Owner's membership rights, as provided in the Governing Documents.

**10.6 Disciplinary Rules.** The Board or Rules Committee (appointed by the Board for that purpose) may adopt rules and regulations that further elaborate upon and refine procedures for conducting disciplinary proceedings and otherwise imposing sanctions upon Members of the Association for violation of provisions of the Governing Documents. Such rules, when approved and adopted by the Board, shall be deemed to be a part of the Association Rules provided for in, and constituting a part of, the Governing Documents.

**10.7 Emergency Situations.** The following shall constitute emergency situations: (a) an immediate and unreasonable threat to the safety of Residents of the Development; (b) a traffic or fire hazard; or (c) a threat of material damage to or destruction of the Development or any portion thereof. Notwithstanding any other provisions of the Governing Documents, under circumstances involving conduct that constitutes an emergency situation, the Association may undertake immediate corrective or disciplinary action. Hearings with respect to such corrective or disciplinary action shall be in accordance with Section 8.1.4 of the Bylaws.

**10.8 Alternative Dispute Resolution.** Compliance with California Civil Code Sections 5925 through 5965 and Civil Code Sections 5900 through 5920 shall be required with respect to any dispute subject to such sections.

**10.9 Non-Waiver.** Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.

**10.10 Notices.** Any notices required or given under this Article shall conform to Section 8.1.4 of the Bylaws.

10.11 Costs and Attorneys' Fees. In the event the Association shall take any action to enforce any of the provisions of the Governing Documents or shall determine that any Member or members of his or her household or his or her tenants, Contract Purchasers, guests, invitees or household pets have violated any provision of the Governing Documents, and whether or not legal or judicial proceedings are initiated, the prevailing party shall be entitled to recover the full amount of all costs incurred, including attorneys' fees, in responding to such a violation and/or in enforcing any Governing Document provision. The remedies of the Association to recover the amount of such costs and attorneys' fees shall include, without limitation, the imposition of a Reimbursement Assessment as provided in Section 6.8 of this Declaration.

10.12 Indemnification. Each Owner, by acceptance of his or her deed, agrees for himself or herself and for the members of his or her household, his or her Contract Purchasers, tenants, guests or invitees, to: (a) indemnify each and every other Owner for; (b) to hold each and every other Owner harmless from; and (c) to defend each and every other Owner against, any claim of any person for personal injury or property damage occurring within the Lot of such Owner, except that such Owner's liability may be diminished to the extent that the injury or damage occurred by reason of the negligence of any other Owner or person temporarily visiting in such Lot or is fully covered by insurance.

## ARTICLE 11 MORTGAGEE PROTECTION

11.1 Assessment Lien Subordinated. Any lien created or claimed under the provisions of Section 6.2, above, shall be subject and subordinate to the lien of any first Mortgage given in good faith and for value. No such Mortgagee who acquires title to any Lot by judicial foreclosure or by exercise of power of sale contained in the Mortgage shall be obligated to cure any breach of this Declaration by a former Owner of such Lot or shall be liable for any unpaid Assessments made against the Lot which accrued prior to the date the Mortgagee acquired such title. No lien created or claimed under the provisions of Section 6.2, above, shall in any way defeat, invalidate or impair the rights of any Mortgagee under any such recorded Mortgage.

11.2 Amendment of This Declaration. No amendment of this Declaration shall affect any of the rights of the holder of any Mortgage described in Section 11.1, above, which is made in good faith and for value, if such Mortgage is recorded and notice of the delivery and recording thereof is given to the Association prior to the recording of such amendment.

11.3 Default by Owner; Mortgagee's Right to Vote. In the event of a default by any Owner under a Mortgage encumbering such Owner's Lot, the Mortgagee under such Mortgage shall, upon: (a) giving written notice to the defaulting Owner; (b) recording a Notice of Default in accordance with California Civil Code section 2924; and (c) delivering a copy of such recorded Notice of Default to the Association, have the right to exercise the vote of the Owner at any regular or special meeting of the Association held only during such period as such default continues.

11.4 Breach; Obligation After Foreclosure. No breach of any provision of this Declaration by Declarant, the Association or any Owner shall impair or invalidate the lien of any recorded Mortgage made in good faith and for value and encumbering any Lot. The Association shall be obligated to abide by all of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes provided for in this Declaration as it may be amended from time to time with respect to any person who acquires title to or any beneficial interest in any Lot through foreclosure, trustee's sale or otherwise.

11.5 Right to Examine Books and Records of the Association. All Mortgagees, insurers and guarantors of any Mortgages on any Lot shall have the right, upon written request to the Association, to:

11.5.1 Examine current copies of the Governing Documents and the Association's books, records and financial statements, during normal business hours;

11.5.2 Require the Association to provide an audited statement for the preceding fiscal year: (a) at no expense to the requesting entity when the Development consists of fifty (50) or more Lots; and (b) at the requesting entity's expense when the Development consists of fewer than fifty (50) Lots and no audited statement is available; and

11.5.3 Receive a written notice of all meetings of the Association and designate a representative to attend all such meetings.

11.6 Declaration to Conform with Mortgagee Requirements. It is the intent of this Article that this Declaration, the Articles of Incorporation, the Bylaws and the Development in general, shall now and in the future meet all requirements of any institutional Mortgagee intending to secure its Mortgage by a Lot or necessary to purchase, guarantee, insure or subsidize any Mortgage of a Lot by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Veterans' Administration.

## ARTICLE 12 ANNEXATION, SUPPLEMENTAL DECLARATION

12.1 Annexations, Generally. Any or all of the Overall Property may be annexed to and made subject to this Declaration by any of the methods hereinafter set forth. In this Article 12, any reference to the "annexed property" or to an "Annexed Phase" shall mean the property that is described in a duly Recorded Declaration of Annexation or Supplemental Declaration.

12.2 Unilateral Annexations. Declarant shall have the right to annex from time to time all or any portions of the Subsequent Phase Property (i.e., the lands more particularly described in Exhibit "C"), so as to be subject to this Declaration and so that membership in the Association shall be appurtenant to ownership of Lots within the annexed Phase. Such annexation shall not require the approval of either the Association, its Board or Members so long as the annexation is in substantial conformance with a detailed plan of phased development submitted to the Department of Real Estate with the Declarant's application for a Public Report for the first Phase of the Overall Property. In order to be annexable at the option of the Declarant, the plan for phased development must include at least the following:

12.2.1 Proof satisfactory to the Commissioner of the Department of Real Estate that no proposed annexation will result in an overburdening of Common Facilities;

12.2.2 Proof satisfactory to the Commissioner that no proposed annexation will cause a substantial increase in Assessments against existing Owners of Homesites within Grizzly Ranch which was not disclosed in a Public Report under which such Owners purchased their interests in Grizzly Ranch;

12.2.3 Identification of the Phase proposed to be annexed and the total number of residential Lots or units then contemplated by the Declarant for the Overall Property;

12.2.4 A written commitment by the Declarant to pay to the Association, concurrently with the closing of the escrow for the first sale of a subdivision interest in the annexed Phase, an appropriate amount for reserves for replacement or deferred maintenance of Common Area improvements in the annexed Phase necessitated by or arising out of the use and occupancy of Residences under a rental program conducted by the Declarant which has been in effect for a period of at least one (1) year as of the date of closing of the escrow for the first sale of a Residence in the annexed Phase.

12.3 Other Annexations. In addition to annexations effected by the Declarant pursuant to Section 12.2, above, annexations of other real property may be made by Declarant with the approval by vote or written consent of Members entitled to exercise not less than two-thirds of the Voting Power of each class of membership of the Association. After the Class B membership has ceased, the affirmative vote of at least two-thirds of the voting power of Members other than Declarant shall be required to approve annexations pursuant to this Section 12.3. Upon obtaining the requisite approval of the Members pursuant to this section, Declarant shall Record a Declaration of Annexation and, if appropriate, a Supplemental Declaration, as more particularly described in Sections 12.5 and 12.6 of this article.

12.4 Conveyances of Common Area. Prior to the conveyance by Declarant of any Lot within a Phase annexed to this Declaration, fee simple title to any Common Area to be owned by the Association within such Phase shall be conveyed to the Association free and clear of any and all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and reservations, easements, covenants, conditions and restrictions then of Record, including those set forth in this Declaration.

#### 12.5 Declaration of Annexation.

12.5.1 Effect of Recording a Declaration of Annexation. Any annexation of portions of the Overall Property to the Grizzly Ranch common interest development authorized by this Declaration shall be made by Recording a Declaration of Annexation, or other similar instrument, with respect to the additional real property which shall be executed by Declarant or the Owner thereof and shall extend this Declaration to such real property. The Recordation of such a Declaration of Annexation shall constitute and effectuate the annexation of the additional real property described therein, and thereupon said real property shall become and constitute a part of Development, become subject to this Declaration and encompassed within the general plan and scheme of the covenants conditions and restrictions contained herein, and become subject to Assessment by the Association and to the functions, powers and jurisdiction of the Association, and the Owners of Lots in said real property shall automatically become Members of the Association.

12.5.2 Contents of Declaration of Annexation. The declaration of annexation shall include the following:

12.5.2.1 Legal Description of the Annexed Property. A legal description of the annexed property, separately identifying Lots, parcels and any Common Areas;

12.5.2.2 Statement Regarding Commencement of Assessments. The declaration of annexation shall provide for a specified date on which Assessments shall commence for Lots or parcels in the annexed Phase, provided that the date

specified may not be later than the first day of the first month following the month in which the first Lot in the annexed property is conveyed to an Owner;

12.5.2.3 Declarant Commitment Concerning Reserve Contributions Relating to Rental Programs. A written commitment by Declarant to pay to the Association, concurrently with the close of escrow for the first sale of a Homesite in an annexed Phase, appropriate amounts for reserves for replacement or deferred maintenance of Common Facilities in the annexed Phase necessitated by or arising out of the use and occupancy of Residences under a rental program conducted by Declarant which has been in effect for a period of at least one (1) year as of the date of closing of escrow for the first sale of a Residence in the annexed Phase;

12.5.2.4 Application of Equitable Servitudes. A statement that all of the covenants, conditions and restrictions of this Declaration shall apply to property within the Annexed Phase in the same manner as if the annexed property was originally covered by this Declaration; provided, however, that additional or revised covenants, conditions and restrictions applicable to the annexed property (collectively, "supplemental restrictions"), may be imposed when, in the sole discretion of the Declarant, it is deemed necessary or appropriate and to impose supplemental restrictions in order to reflect differences in the nature, Design or use of the Improvements to be constructed on Lots or Common Areas in the annexed Phase.

Supplemental restrictions may not alter the general common plan or scheme created by this Declaration, revise any restriction imposed by a governmental entity as a condition of Subdivision Map approval (without the consent of that entity) or revoke, modify or add to the covenants, conditions and restrictions imposed by this Declaration with respect to portions of the Development initially subject to this Declaration or properties annexed to Grizzly Ranch prior to the annexed Phase. If supplemental restrictions are considered necessary or appropriate for a particular Phase, they shall be set forth in a Supplemental Declaration attached to, or incorporated in, the Declaration of Annexation (see Section 12.6, below).

Additional real property may be annexed to Grizzly Ranch and become subject to this Declaration in accordance with this section. Although the present intention of the Declarant is to develop Grizzly Ranch and the Subsequent Phase Property as residential subdivisions with Common Areas and Common Facilities in conformance with a plan of phased development, nothing in this Declaration shall be construed or interpreted to commit Declarant to the Development or annexation of any portion of the Subsequent Phase Property in accordance with any present planning.

## 12.6 Supplemental Declarations.

12.6.1 Authority to Record Supplemental Declarations. During the course of developing the Development, it may become necessary or appropriate for Declarant to Record one (1) or more Supplemental Declarations. Recordation of Supplemental

Declarations by Declarant is hereby approved. In addition, if the Declarant conveys a Phase of the Overall Property to a builder of cluster or townhome residences, the Declarant can join with that Owner in Recording a Supplemental Declaration applicable to that Phase.

12.6.2 Content of Supplemental Declarations. Any Supplemental Declaration shall describe the portion of the Subsequent Phase Property to which it is to apply, recite that the Supplemental Declaration is being Recorded pursuant to the authority conferred by this section and may include, without limitation:

12.6.2.1 Description of Common Areas and Common Facilities. A description of any Common Areas (including all exclusive use common areas, as that term is defined in section 4145 of the California Civil Code) and Common Facilities within the annexed Phase;

12.6.2.2 Specification of Property Use Restrictions Applicable to the Annexed Property. Property use restrictions and design and building standards which shall apply solely to the Lots (and any Improvements constructed thereon) within the annexed Phase;

12.6.2.3 Separate Design Review. A separate Design Review Board to perform design review and approval functions described in the Supplemental Declaration with respect to Improvement projects on Lots in the annexed Phase (if different from those described in Article 9, above) or to perform the functions described in Article 9, above, in lieu of the Design Review Committee constituted in accordance with Section 9.3, above. If a particular Lot is affected by a Supplemental Declaration that establishes a separate Design Review Board, that committee shall have jurisdiction over the initial design and construction of any Improvements proposed for construction on the Homesite, as well as subsequent changes in exterior design or appearance; provided, however, that the Supplemental Declaration can provide that the committee's determination must also be ratified by the Design Review Committee;

12.6.2.4 Supplemental or Separate Improvement Requirements. Supplemental Declarations may also include authorization for the adoption of separate or supplemental Improvement Requirements applicable to Improvement projects on Lots located within the annexed Phase;

12.6.2.5 Front Yard Maintenance. Provisions describing the nature and extent of the Association's duties and responsibilities if front yards or rear yards are to be maintained by the Association or a Sub-Association.

12.6.2.6 Establishment of Sub-Association(s). A Supplemental Declaration may, but need not, provide for the establishment of a Sub-Association, to be comprised of Owners of Lots within the Planned Development or condominium project described in the Supplemental Declaration; and

12.6.2.7 Designate of Cost Centers. A Supplemental Declaration may designate one or more Cost Centers within the annexed Phase by including the information described in Section 6.4 above.

12.7 Reconciling Conflicts Among Documents. This Declaration shall control if there is any conflict between any Declaration of Annexation or Supplemental Declaration and the provisions of this Declaration; provided, however, that to the extent that any provision hereof is expressly modified by a Supplemental Declaration, no conflict shall be deemed to exist; and, provided further, that this Declaration and any Supplemental Declaration shall be construed so as to be consistent with one another to the extent that the reconciliation of provisions is reasonably possible. However, the inclusion in any Supplemental Declaration of covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, limitations, liens or charges which are more restrictive or more inclusive than in the Governing Documents shall not be deemed to constitute a conflict with the provisions of this Declaration.

12.8 De-Annexation and Amendment. Declarant has the right, at its sole option, to (a) amend a Declaration of Annexation or a Supplemental Declaration, or (b) remove from the Development any property described in a Recorded Declaration of Annexation or a Supplemental Declaration by executing and Recording a rescission of such document, so long as all of the following conditions are satisfied at the time of the execution of the amendment or rescission: (i) no Lot in the annexed Phase encumbered by the Declaration of Annexation and/or Supplemental Declaration has been conveyed to an Owner; and (ii) Assessments have not commenced for any Lot in such annexed Phase. If Common Areas in the previously annexed Phase have been conveyed to the Association, then in the event of a rescission, such Common Area shall be conveyed back to Declarant promptly after the rescission. In the event of an amendment, if the amendment is such that some portion of that Common Area within the annexed Phase theretofore conveyed to the Association is excluded from the annexation, such portion shall be conveyed back to Declarant promptly after the amendment is adopted.

12.9 Taxes and Assessments. All taxes and other Assessments relating to the Lots in Phases authorized for annexation pursuant to Sections 12.2 or 12.3, above, covering any period prior to annexation of the Phase shall be paid or otherwise provided for by the Declarant.

12.10 Character of Common Area Improvements. The nature, design, quantity, quality and all other attributes of the Common Area, and the Common Facilities constructed or to be constructed within any annexed Phase, shall be determined in Declarant's sole and absolute discretion. The Association shall be unconditionally obligated to accept title to and maintenance responsibility for the Common areas and Common Facilities, if any, when such title and maintenance responsibility are tendered by Declarant.

12.11 Infrastructure Improvements. All intended infrastructure improvements in Phases that are annexed to Grizzly Ranch pursuant to Sections 12.2 and 12.3 of this article shall be substantially completed or bonded to the satisfaction of the local governmental agency with authority therefor and the Federal National Mortgage Association prior to annexation and shall be consistent with the initial improvements of the Initial Covered Property in terms of the quality of construction.

12.12 Effect of Annexation.

12.12.1 Application of Declaration to Annexed Phase. The Recordation of a Declaration of Annexation shall constitute and effectuate the annexation of the Subsequent Phase Property described therein, and thereupon the annexed Phase shall become and constitute a part of Grizzly Ranch, and be subject to, and encompassed within, the general plan and

scheme of this Declaration, subject only to such modification in said general plan as may be imposed by the Declaration of Annexation. Lots within the annexed Phase shall thereupon become subject to Assessment by the Association and to the functions, powers and jurisdiction of the Association, and the Owners of Lots within the annexed Phase shall automatically become Members of the Association. Any Common Facilities (including private roads) which are included within the annexed Phase shall be conveyed to the Association, free of all liens and encumbrances, other than liens, rights-of-way or other encumbrances disclosed on the preliminary title report for the annexed Phase and approved by the Association. The conveyance of any Common Facilities in the annexed Phase to the Association shall occur immediately following Recordation of the Declaration of Annexation.

12.12.2 Board's Obligation to Approve Budget Applicable to Phase. After a new Phase has been annexed, the Board shall approve a budget, which is substantially based upon the operating budget accepted by the California Department of Real Estate in connection with the Public Report for that Phase, for the remainder of the current fiscal year for use upon commencement of Regular Assessments against Lots within the annexed Phase.

12.13 Amendment of Annexation Provisions. After the conversion of Class B membership to Class A membership and until such time as the Declarant no longer has any rights of unilateral annexation pursuant to Section 12.2, above, this article may not be amended without the written consent of the Declarant, unless at the time of the amendment all property constituting Subsequent Phase Property has been annexed to Grizzly Ranch.

## **ARTICLE 13 GOLF COURSE**

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13.1 Lots and Parcels Abutting Golf Courses. The provisions of this Section shall be subject to modification by Supplemental Declarations affecting any Lots which abut property used or intended for use as a Golf Course. Except as so modified, Lots which abut property used or intended for use as a Golf Course may contain a nondevelopment area extending into the Lot from its boundary with the property used or intended for use as a Golf Course. Such areas shall serve primarily to buffer Golf Course areas from development. Where such nondevelopment area exists, it will be owned by the Owner of the Lot in question, but it shall be subject to restrictions prohibiting structural improvement (including fences) and other uses or activities that would interfere with the visual or practical advantage of such buffer areas. The existence and dimensions of all such nondevelopment areas within a Lot may be shown or noted in a Supplemental Declaration or in Design Guidelines promulgated in connection with any Phase of the Development. Specific obligations or prohibitions to be observed by an Owner of such Lot may be noted on the Recorded map, or in the Declaration of Annexation, or Design Guidelines, or may be established by Rules of the Board to supplement (but not to contravene) this Master Declaration, or may be established in a Supplemental Declaration applicable to a particular Lot.

13.2 Resulting from Proximity to Golf Course. Portions of the Overall Property are presently intended for Golf Course and other recreational use and the following matters arise from the proximity of Lots to such facilities. Each Owner who acquires a Lot acknowledges, accepts and assumes the risk of the special benefits and burdens associated with such facilities. The owner of the Golf Course adjacent to the Grizzly Ranch common interest development, and each and every member, guest, golfer, employee or agent of the Golf Course, disclaims any liability for personal injury or property damage resulting in any way, all or in part, from any of the following items set forth in Sections 13.2.1 through 13.2.8, inclusive,



and each Owner accepts such disclaimer and agrees to release and waive any claim that the Owner, or any guest, invitee, employee or contractor of Owner, may have as a result of any such following items:

13.2.1 Errant Golf Balls. Owners of Lots, particularly Lots abutting the Golf Course, acknowledge the inherent risk of errant golf balls and assume and accept such risk. Owners acknowledge and accept the risk that golfers may attempt to retrieve errant golf balls from any Lot and each Owner agrees to release and waive any claims Owner may have as a result of such retrieval.

13.2.2 View Impairment/Privacy. Owners of Lots, including Owners of Lots abutting the Golf Course, have no guarantee that their view over and across the Golf Course will be forever preserved without impairment or that the view from the Golf Course will not be impaired. The owner of the Golf Course has no obligation to prune or not prune trees or other landscaping and the owner of the Golf Course has reserved the right, at its sole and absolute discretion, to add, change or reconfigure the Golf Course, including any trees, landscapes, tees, bunkers, fairways and greens.

13.2.3 Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals will be utilized in connection with the Golf Course and the Owners acknowledge, accept the use and assume the risk of such pesticides, fertilizers and chemicals.

13.2.4 Overspray. Owners of Lots, particularly Owners of Lots abutting the Golf Course, may experience "overspray" from the Golf Course irrigation system, and the Owners acknowledge, accept and assume the risk of such "overspray."

13.2.5 Noise and Light. Owners of Lots, particularly Owners of Lots in proximity to any clubhouse or maintenance facility, may be exposed to lights, noise or activities resulting from use of the clubhouse for dining and entertainment and use of the parking lot, and the Owners acknowledge, accept and assume the risk of such light, noise or activities.

13.2.6 No Access. Notwithstanding the proximity of the Golf Course to any Lot, and notwithstanding that the Owner of any Lot may have a right to use the Golf Course facilities as a result of membership or other rights acquired separately from ownership of a Lot or membership in the Association, no Owner, resident, or occupant, guest or invitee of a Lot has a right of access to the Golf Course directly from their Lot.

13.2.7 Maintenance. Golf Courses require daily maintenance, including mowing, irrigation and grooming, during early morning and evening hours, including without limitation the use of tractors, blowers, pumps, compressors and utility vehicles. Owners of Lots, particularly Owners of Lots in proximity of the Golf Course, will be exposed to the noise and other effects of such maintenance, and the Owners acknowledge, accept and assume the risk of such noise and effects.

13.2.8 Risk of Injury. Each Owner expressly assumes the above detriments and risks of owning property adjacent to a Golf Course and agrees that neither the owner or manager of the Golf Course, nor any of their successors or assigns shall be liable to the Owner or to anyone claiming any loss, damage or personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon or arising out of the

proximity of the Owner's Lot to the Golf Course. Each Owner of a Lot adjacent to the Golf Course hereby agrees to indemnify and to hold harmless the owner, manager, and architect of the Golf Course and their successors and assigns, against any and all such claims by the Owner or his or her invitees.

13.3 Golf Course Entry. Neither the Association, nor any Owner or Sub-Association shall have any right of entry on to the Golf Course without the prior written consent of the owner of the Golf Course. Neither the Association nor any Owner or Sub-Association may permit any irrigation water to overspray or drain from their Common Area, Lots onto any portion of the Golf Course, except through storm drainage improvements constructed by the Declarant. Neither the Association nor any Owner or Sub-Association may permit any fertilizer, pesticides or other chemical substances to overspray, drain, flow or be disposed of in any manner upon the Golf Course. If the Association or any Owner or Sub-Association violates the provisions of this subparagraph, they shall be liable to the owner of the Golf Course for all damages to the turf resulting from their violation.

13.4 No Representations or Warranties. Ownership or operation of the Golf Course may change at any time. The consent of the Association or any Owner is not required to effect any change in the ownership or operation of the Golf Course. All Owners are hereby advised that no representations or warranties have been made or are made by the owner of the Golf Course regarding the continuing existence, ownership or operation of the Golf Course. There is no guarantee that the Golf Course will be operated as such indefinitely or that the terms and conditions of membership and/or use of the Golf Course and its facilities will not change in the future.

13.5 Right to Use the Golf Course. Neither being an Owner of a Lot within the Development, nor being a Member of the Association, confers any ownership interest in or right to use the Golf Course. The owner of the Golf Course shall grant memberships in the Golf Course and manage the use of the Golf Course as such Owner sees fit. Rights to use the Golf Course are within the exclusive control of the owner of the Golf Course, and will be given to such persons and on such terms and conditions as the owner of the Golf Course may determine from time to time. The owner of the Golf Course may amend or waive its determinations and policies with respect to use of the Golf Course or membership in any related golf club at any time.

13.6 Amendment. After the expiration of Class B membership (as defined in the original Bylaws), the provisions of this article may not be amended without the written consent of the owner of the Golf Course and the written consent of the Declarant; provided, however, that the requirement for prior consent of the Declarant shall terminate when all Subsequent Phase Property has been annexed to Grizzly Ranch and all of the Homesites in Grizzly Ranch owned by Declarant have been sold.

## ARTICLE 14 AMENDMENT

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14.1 Amendments by Members. This Declaration may be amended by the affirmative vote or written consent of fifty-one percent (51%) of the Members entitled to vote. Any amendment of the Declaration shall be signed and acknowledged by the duly authorized officers of the Association and shall be Recorded.

#### 14.2 Additional Approvals for Amendments to Particular Provisions.

14.2.1 Declarant Approvals. The following provisions may only be amended with the prior written consent of the Declarant for so long as the Declarant possesses rights of unilateral annexation of Subsequent Phase Property pursuant to Section 12.2, above: Section 3.10 (Declarant's Rights and Easements), Articles 12 (Annexation, Supplemental Declarations), 15 (Declarant Privileges and Exemptions) and 13 (The Golf Course), and this Section 14.2.1.

14.2.2 Approval of Golf Course Owner. The following provisions are included in this Declaration for the benefit of the Owner of the Golf Course and may not be amended without the consent of said person: Section 1.22 ("Golf Course" definition); Section 2.8 (Right of the Association to Make Common Area Boundary Line Adjustments); Section 2.3 (No Right by Property Ownership to Use Golf Course); Section 2.3 (Golf Course Entry); Sections 9.3.4 and 9.3.5 (Golf Course appointee on Design Review Committee); Section 9.12.4 (exterior elevations of structures and landscaping within 25 feet of Golf Course); Section 9.12.5 (Improvement Projects Adjacent to Golf Course); Section 8.5 (Golf Course Maintenance); Sections 8.6.2, 8.6.3, and 8.6.4 (assumption of certain Association maintenance responsibilities, management of Swim and Fitness Center, Execution of Maintenance Agreements); Section 4.15.4 (Restrictions Relating to Golf Carts and Use of Cart Paths and Fairways); Section 3.6 (Easement for Golf Course Maintenance); Article 13 (The Golf Course); and this Section 14.2.2.

14.2.3 Approval by the County. The following provisions of this Declaration reflect conditions of approval imposed by the County and may only be amended with the prior consent of the County: Section 4.27 (heating systems); Section 4.16 (Driveways and Associated Parking); Section 4.28 (Fire Regulations); Section 8.1.1 (Common Area and Common Facilities Maintenance) with respect to the maintenance, snow plowing, and repair of private roads and shared driveway easements within the Development; Section 8.9 (Community Services District Maintenance Responsibilities); Section 3.7 (Easements in Favor of the Community Services District); Section 3.9 (Priority of Easements); and this Section 14.2.3.

14.3 Right of Amendment of Requested by Governmental Mortgage Agency or Federally Chartered Lending Institutions. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by Governmental Mortgage Agencies which require such an amendment as a condition precedent to such agency's approval of this Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lots(s) or Parcel(s) or any portions thereof. Any such amendment shall be effectuated by the recordation, by Declarant, of a Certificate of Amendment duly signed by or on behalf of the authorized agents, or authorized officers of Declarant, as applicable, with their signatures acknowledged, specifying the Governmental Mortgage Agency, or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when recorded, shall be binding upon all of Lots and Common Areas comprising the Development and all persons having any interest therein.

14.4 Right of Amendment if Requested by Plumas County. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by the County of Plumas to reflect a modification of the Development Agreement which requires a conforming amendment to this Declaration. Any such amendment shall be effectuated by the recordation, by Declarant, of a Certificate of Amendment duly signed by or on behalf of the authorized agents, or authorized officers of Declarant, or the Association as applicable, with their signatures acknowledged, specifying the County of Plumas requested the amendment and setting forth the amendatory language requested by the County. Recordation of such a Certificate shall be deemed conclusive proof of the County's request for such an amendment, and such Certificate, when recorded, shall be binding upon all of the real properties comprising Grizzly Ranch and all persons having an interest therein.

14.5 Restatements. The restatement shall restate the entire text of the original document, with these exceptions: (a) changes incorporating all amendments approved the Owners; (b) changes made to rearrange or delete the text for consistency with the approved amendments; (c) the addition of a statement that the Board has authorized the restatement pursuant to this section; (d) changes made to delete any provision declared illegal by constitutional or statutory enactment, by regulation, or by controlling judicial opinion; and (e) changes needed to distinguish the restatement from the original Declaration, such as title, section, or subparagraph numbering changes.

14.6 Department of Real Estate. An amendment to this Declaration, Bylaws, or other governing instruments of the Association shall require immediate notification of the California Department of Real Estate in accordance with Section 2800 of the Commissioner's Regulations so long as the Development, or any portion thereof, is subject to an outstanding Final Subdivision Public Report.

14.7 Mortgagee Approval. Mortgagee approval of any proposed material amendment shall be required in accordance with Section 11.2, above.

14.8 Amendments by Board. The Board of Directors may, without the approval of the Members, amend any part of this Declaration to the limited extent necessary to comply with the lending requirements of any federally chartered lending institution or to comply with a mandatory change in applicable federal, state or local legislation.

Certain provisions of this Declaration reflect legal requirements prescribed by Federal law, California law, and other governmental statutes and regulations. In the event that any such laws, statutes or regulations are amended, revoked, or supplemented, the Board of Directors may, by the affirmative vote of a majority of the directors present at a meeting at which a quorum has been established, amend the Declaration to reflect the underlying law, statute or regulation. The purpose of this provision is to provide the Members with notice of current legal requirements which affect their rights and obligations as they pertain to their Lot and membership within the Association.

The Board of Directors may, by the affirmative vote of a majority of the Directors present at a meeting at which a quorum has been established, restate the Declaration when it has been properly amended pursuant to this Article. Any such restatement shall supersede any prior declarations and amendments in their entirety, but shall not affect the priority of any previous declarations or amendments in the chain of title to all Lots within the Development as established by the initial date of recordation of the original declaration for the Development. Such restatement may also:

14.8.1 Add, delete, or rearrange the text of the Declaration to maintain consistency with any amendments including, but not limited to, altering the title and numbering of the restatement;

14.8.2 Delete material that is no longer legally effective;

14.8.3 Add text which indicates that the Board of Directors has authorized the restatement and otherwise describes the background of the Development and the restatement process, and

14.8.4 Correct any errors or inaccuracies in the Declaration, including but not limited to, the legal description of the properties in the Development.

## **ARTICLE 15 DECLARANT PRIVILEGES AND EXEMPTIONS**

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15.1 Interest of the Declarant; Material Actions Requiring Declarant Approval. The initial covered Property that was subjected to this Declaration constitutes a portion of the Overall Property, which Declarant is causing to be developed in accordance with a plan of phased development. Each Owner of a Lot which is part of Grizzly Ranch acknowledges by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other instrument, that Declarant has a substantial interest to be protected with regard to assuring compliance with and enforcement of, the covenants, conditions, restrictions and reservations contained in this Declaration and any amendments thereto and any Supplemental Declarations recorded pursuant to this Declaration. Notwithstanding any other provisions of the Governing Documents, until such time as Declarant is no longer entitled to create Subsequent Phase Property by annexation without the vote of the Members, the following actions, before being undertaken by the Members or the Association, shall first be approved in writing by Declarant:

15.1.1 Specified Approvals. Any amendment or action requiring the approval of Declarant pursuant to this Declaration, and any amendment or action requiring the approval of first Mortgagees pursuant to this Declaration (the Association shall provide Declarant with all notices and other documents to which a Mortgagee is entitled pursuant to this Declaration, provided that Declarant shall be furnished such notices and other documents without making written request);

15.1.2 Annexation. The annexation of any real property to the Development that is not included in the Development or Subsequent Phase Property by action of the Declarant;

15.1.3 Special Assessments. The levy of a Special Assessment for the construction of new facilities by the Association not originally included in the Common Areas;

15.1.4 Service/Maintenance Reductions. Subject to Section 6.6.4 above, regarding limitations on Annual Assessment increases without Member approval, any significant reduction of Common Area maintenance or other services or entering into contracts for maintenance or other goods and services benefiting the Association or the Common Area at contract rates which are fifteen percent (15%) or more below the reasonable cost for such maintenance, goods or services; or

15.1.5 Design Guidelines. Any supplement or amendment to the Design Guidelines, including Design Guidelines applicable to a particular Phase within Grizzly Ranch (see Section 9.8, above).

15.2 Exemptions from Restrictions Otherwise Applicable. Nothing in the Governing Documents shall limit and no Owner, Sub-Association or the Association shall do anything to interfere with the right of Declarant, either directly or through their respective agents and representatives, to subdivide, re-subdivide, sell, resell, rent or re-rent any portion of Grizzly Ranch, or the right of Declarant to complete excavation, grading, construction of improvements or other development activities to and on any portion of Grizzly Ranch owned by Declarant or to alter the foregoing and its construction plans and designs, or to construct such additional improvements as Declarant deems advisable in the course of development of Grizzly Ranch so long as any Lot or any portion of the Overall Property is owned by Declarant. Such right shall include, but shall not be limited to, carrying on by Declarant and their respective agents and representatives of such grading work as may be approved by the County or other agency having jurisdiction, and erecting, constructing and maintaining on or within Grizzly Ranch such structures, signs and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise. Each Owner, by accepting a deed to a Lot, hereby acknowledges that any construction or installation by Declarant may impair the view of such Owner, and hereby consents to such impairment.

15.3 Rights to Use Common Areas and Common Facilities in Connection With Development and Sales. Declarant may enter upon the Common Area, for the benefit of Declarant or for the benefit of portions of the Overall Property whether or not then annexed, or any combination of them, to complete the Development, improvement and sale of Lots and the construction of any landscaping or other improvement to be installed on the Common Area. Declarant shall also have the right of nonexclusive use of the Common Areas and the Common Facilities, without charge, for sales, display, access, ingress, egress, exhibition and occasional special events for promotional purposes, which right Declarant hereby reserves; provided, however, that such use rights shall terminate on the date on which Declarant no longer owns any Lots within Grizzly Ranch and Declarant's unilateral right to annex portions of the Overall Property has expired. Such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein and all direct costs and expenses associated with Declarant sales and promotional activities (including, without limitation, any costs or expenses required to clean or repair any portion of the Common Area that are damaged or cluttered in connection with such activities) shall be borne solely by the Declarant and any other sponsor of the activity or event. The rights reserved to the Declarant by this section shall extend to any employee, sales agents, prospective Owners, customers and/or representatives of the Declarant.

15.4 Amendment of Plans. Subject to approval, as necessary, by the County, Declarant may, from time to time as it deems fit, amend its plans for the Overall Property, combine or split Lots or Parcels, and apply for changes in the Development Agreement, changes in zoning, use and use permits, for any property within the Overall Property.

15.5 Right to Enforce Design Review and Approval Requirements. For so long as the Declarant has the right to appoint any members of the Design Review Board, the Declarant shall have the right to initiate action to correct or prevent any activity, condition or Improvement that is not in substantial compliance with approved plans and specifications to the same extent as the Association if: (a) the Design Review Committee has issued a Notice of Noncompliance; and (b) the Association, after having a reasonable opportunity to do so, is unable or unwilling to initiate enforcement action. In the event that such action is initiated by the Declarant and it is later determined by an arbitrator or a court of

competent jurisdiction that the Owner of the subject Lot was, in fact, proceeding in violation of the approved plans and specifications, any reasonable costs incurred by the Declarant in initiating enforcement action, including reasonable attorneys' fees, which are not the subject of an award of fees and/or costs against the offending Owner may be charged to the Association.

15.6 Termination of Any Responsibility of Declarant. In the event the Declarant conveys all of its rights, title and interest to any partnership, limited liability company, individual or individuals, corporation or corporations, in and to the Overall Property, and the acquiring person or entity is designated as a successor Declarant as to all the property conveyed, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of Declarant. This Article shall not terminate any responsibility of the Declarant for acts or omissions occurring prior to the conveyance to such partnership, individual or individuals, corporation or corporations. However, this shall not limit Declarant's right to enter into a contract or agreement dealing with such acts or omissions provided the contract or agreement is enforced by Declarant, if necessary.

## **ARTICLE 16 GENERAL PROVISIONS**

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16.1 Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.

16.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.

16.3 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Development for the benefit of the community.

16.4 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.


16.5 County Requirement. Notwithstanding any provision of this Section to the contrary, any Section of this Declaration containing County required provisions shall require in addition to the amendment requirements as set forth elsewhere in this Declaration, the approval of the County.

16.6 Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a deed to any Lot.

**IN WITNESS WHEREOF**, Members of the Grizzly Ranch Association consisting at least a (i) fifty-one percent (51%) of the total voting power of the Association; and (ii) the vote of fifty-one percent (51%) of the total Voting Power held by Members other than the Declarant , hereby affirm, approve, and adopt this First Restated Declaration of Covenants, Conditions, and Restrictions for Grizzly Ranch pursuant to the requirements of Section 19.02 of the Original Declaration by means of the signatures of the President and Secretary of the Association.

DATED: JULY 14 , 2020

**Grizzly Ranch Association** a California nonprofit mutual benefit corporation

  
\_\_\_\_\_  
LAURA SITES REYNOLDS, President  
(Print Name)

\_\_\_\_\_  
(Print Name) , Secretary



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Alameda )

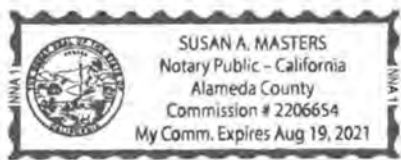
On July 14, 2020 before me, Susan A. Masters, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Laura Sites-Reynolds  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Susan A. Masters  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Covenants, Conditions, and Restrictions - Grizzly Ranch Document Date: July 17, 2020  
Number of Pages: 80 Signer(s) Other Than Named Above: NONE

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Laura Sites-Reynolds  
 Corporate Officer — Title(s): President  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: Grizzly Ranch

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

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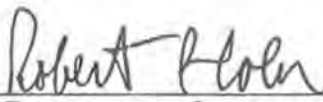
**IN WITNESS WHEREOF**, Members of the Grizzly Ranch Association consisting at least a (i) fifty-one percent (51%) of the total voting power of the Association; and (ii) the vote of fifty-one percent (51%) of the total Voting Power held by Members other than the Declarant, hereby affirm, approve, and adopt this First Restated Declaration of Covenants, Conditions, and Restrictions for Grizzly Ranch pursuant to the requirements of Section 19.02 of the Original Declaration by means of the signatures of the President and Secretary of the Association.

DATED: August 14, 2020

**Grizzly Ranch Association** a California nonprofit mutual benefit corporation

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(Print Name) \_\_\_\_\_, President

  
\_\_\_\_\_  
ROBERT P. COLER, Secretary  
(Print Name)

# CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

A Notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA        }

COUNTY OF PLUMAS         }

On 8/14/2020 before me, Cammie Marie Gaylord, Notary Public, personally  
appeared Robert P. Coler

\_\_\_\_\_  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

X Cammie Marie Gaylord



Exhibit "A"

Grizzly Ranch, Unit I, a Planned Development for the Founders at Grizzly Ranch, L.L.C., recorded in Book 9 of Maps at page 88, Plumas County records.

Common Areas: All that real property being a portion of Section 21, T.23N., R.14E., M.D.M. being more particularly described as follows: Parcels "A" through "I" inclusive, W1, W2 and W3 as shown on Grizzly Ranch, Unit I, a Planned Development for the Founders at Grizzly Ranch, L. L. C., recorded in Book 9 of Maps at page 88, Plumas County records.

**And, to the extent such property has been annexed into the Development:**

All that certain real property situate in the County of Plumas, State of California, described as follows:

Being a portion of Sections 15, 16, 17, 21 and 22, T.23N.R.14E., M.D.M., more particularly described as follows:

Being at a point, said point being the Northwest corner of said Section 16; thence along the North line of said Section S89°29'15"E, 2,635.30 feet; thence S85°15'28"E, 2,520.58 feet to the Northeast corner of said Section 16; thence along the East line of said Section, S00°00'58"E, 1,335.63 feet to the northwest corner of the S.W.1/4 of the N.W.1/4 of said Section 15; thence N89°50'52"E, 1,265.37 feet to the N.E. corner thereof; thence S00°26'06"E, 2,660.86 feet to the southeast corner of the N.W.1/4 of the S.W.1/4 of said Section 15, said point being on the northerly line of the River Valley Subdivision filed in the office of the Recorder of said Plumas County in Book 5 Maps page 29 thence along said subdivision S00°26'58"E, a distance of 538.90 feet; thence along said subdivision S49°36'03"W, 882.62 feet; thence S09°40'24"W, 803.42 feet; thence S49°32'30"W, 727.40 feet to the east line of said Section 21; thence S04°01'16"W, 310.92 feet to the southeast corner of the N.E.1/4 of the N.E.1/4 of said Section 21; thence along the south line thereof N88°30'31"W, 1,257.07 feet to the southwest corner of said N.E.1/4 of the N.E.1/4; thence along the west line of the S.E.1/4 of the N.E.1/4 of Section 21, S02°25'41"W, 1,352.17 feet to the southwest corner thereof, thence N89°11'02"W, 2,501.40 feet; thence S00°41'30"W, 33.87 feet; thence S88°56'20"W, 84.37 feet; thence N01°04'50"W, 1,498.59 feet to the southeast corner of River Valley Subdivision, Unit No.2, filed in the office of the Recorder of said Plumas County in Book 5 Maps, page 142, thence along said subdivision, N45°31'22"W, 191.51 feet; thence N08°18'47"E, 147.86 feet; thence N07°55'18"W, 147.26 feet; thence N09°09'41"W, 125.57 feet; thence N38°17'43"W, 130.67 feet; thence N31°08'18"E, 220.45 feet; thence N15°21'59"E, 200.38 feet; thence N46°28'16"E, 82.07 feet; thence N06°13'55"E, 151.70 feet; thence N14°16'50"W, 132.39 feet; to the northeast corner of said subdivision thence along the northerly line of said subdivision, S86°19'44"W, 637.87 feet; thence N87°52'21"W, 62.30 feet to the northeast corner of Lot 5 of said subdivision; thence along said Lot, S13°29'43"E, 223.14 feet; thence S87°17'19"W, 850.57 feet; thence N49°13'40"W, 99.53 feet; thence N10°27'18"W, 171.82 feet to the northwest corner of said Lot; thence continueing N10°27'18"W, a distance of 580.89 feet; thence N64°18'41"W, 760.05 feet; thence S52°52'43"W, 22.40 feet to the centerline of Grizzly Creek; thence along said centerline, N17°06'17"W, 55.54 feet; thence N01°09'24"E, 75.61 feet; thence N58°23'46"E, 68.76 feet; thence N50°44'10"E, 119.71 feet; thence N54°22'52"E, 90.26 feet; thence N82°10'43"E, 95.45 feet; thence N43°14'24"E, 152.64 feet; thence N35°18'20"W, 435.70 feet; thence N18°24'14"W, 276.34 feet; thence N44°22'57"W, 225.47 feet; thence N11°20'23"E, 97.37 feet; thence N03°34'48"W, 178.23 feet; thence N00°47'37"W, 192.38 feet; thence N00°42'45"E, 175.31 feet to the south line of the northeast 1/4 of said Section 17; thence N86°05'26"E, 1,380.36 feet to the 1/4 corner common to Sections 16 and 17; thence N00°18'08"E, 730.00 feet; thence N20°52'38"E, 211.45 feet; thence N13°25'29"E, 205.64 feet; thence N18°54'47"W, 367.64 feet; thence N00°18'08"E, 1,127.32 feet to the point of beginning.

The basis of bearings for this description is the map filed in Book 6 Record of Surveys at page 66.

Exhibit "B"

Golf course parcel

All that certain real property situate in the County of Plumas, State of California, described as follows:

Being a portion of Sections 16, 17 and 21, T. 23N. R. 14E. M.D.M. and more particularly described as follows:

Commencing at the 1/4 corner common to said Sections 16 and 17; thence along the North line of the SE1/4 of said Section 17, S86°05'26"W, 210.35 feet to the true point of beginning for this description; thence from said point of beginning, S85°02'41"E, a distance of 585.18 feet; thence S29°47'21"E, a distance of 638.29 feet; thence along a non tangent curve to the right, having a back tangent of S29°52'24"E, a radius of 150.00 feet, through a central angle of 57°12'11", an arc length of 149.76 feet; thence S62°40'13"E, a distance of 241.06 feet; thence N10°50'27"E, a distance of 732.96 feet; thence N00°42'11"E, a distance of 467.70 feet; thence along a curve to the right having a radius of 150.00 feet, through a central angle of 74°25'50", an arc length of 194.86 feet; thence N75°17'22"E, a distance of 309.74 feet; thence along a non tangent curve to the right, having a back tangent of N75°17'21"E, a radius of 75.00 feet, through a central angle of 10°15'01", an arc length of 13.42 feet; thence N85°32'22"E, a distance of 604.36 feet; thence along a curve to the right having a radius of 150.00 feet, through a central angle of 11°45'13", an arc length of 30.77 feet; thence S82°42'25"E, a distance of 304.53 feet; thence along a non tangent curve to the right, having a back tangent of S82°34'12"E, a radius of 75.00 feet, through a central angle of 14°18'02", an arc length of 18.72 feet; thence S68°27'31"E, a distance of 860.43 feet; thence S57°47'35"E, a distance of 618.21 feet; thence S54°35'28"E, a distance of 342.35 feet; thence N23°03'01"E, a distance of 293.48 feet; thence along a non tangent curve to the right, having a back tangent of N23°07'53"E, a radius of 150.00 feet, through a central angle of 115°03'52", an arc length of 301.24 feet; thence S41°48'16"E, a distance of 216.34 feet; thence along a non tangent curve to the right, having a back tangent of S41°44'20"E, a radius of 75.00 feet, through a central angle of 59°30'45", an arc length of 77.90 feet; thence S17°37'12"W, a distance of 882.62 feet; thence S44°16'15"W, a distance of 739.07 feet; thence S46°59'10"W, a distance of 277.76 feet; thence S65°18'27"W, a distance of 229.91 feet; thence S10°18'19"E, a distance of 586.72 feet; thence S25°02'33"E, a distance of 474.58 feet; thence S23°31'02"E, a distance of 314.92 feet; thence along a curve to the right having a radius of 75.00 feet, through a central angle of 127°25'30", an arc length of 166.80 feet; thence N76°18'39"W, a distance of 715.82 feet; thence along a curve to the right having a radius of 150.00 feet, through a central angle of 134°39'38", an arc length of 352.54 feet; thence N58°21'00"E, a distance of 85.37 feet; thence N13°40'37"W, a distance of 334.06 feet; thence S80°54'05"W, a distance of 979.15 feet; thence S62°35'41"W, a distance of 524.69 feet; thence along a non tangent curve to the right, having a back tangent of S62°32'33"W, a radius of 150.00 feet, through a central angle of 180°00'00", an arc length of 471.24 feet; thence N62°35'41"E, a distance of 587.14 feet; thence S88°58'28"E, a distance of 639.02 feet; thence N10°29'26"E, a distance of 515.52 feet; thence N39°28'01"W, a distance of 140.70 feet; thence along a non tangent curve to the right, having a back tangent of N39°41'29"W, a radius of 75.00 feet, through a central angle of 56°14'09", an arc length of 73.61 feet; thence N88°08'21"W, a distance of 445.54 feet; thence S50°35'17"W, a distance of 397.04 feet; thence S45°49'37"W, a distance of 1010.27 feet; thence N31°36'01"W, a distance of 414.85 feet; thence N28°41'46"E, a distance of 660.89 feet; thence N55°26'38"E, a distance of 858.79 feet; thence N20°39'53"E, a distance of 212.83 feet; thence N00°22'59"E, a

distance of 448.09 feet; thence N19°19'40"E, a distance of 836.55 feet; thence N80°18'45"W, a distance of 886.04 feet; thence S00°42'11"W, a distance of 606.67 feet; thence S20°57'55"W, a distance of 873.49 feet; thence along a curve to the right having a radius of 75.00 feet, through a central angle of 96°32'44", an arc length of 126.38 feet; thence N62°40'13"W, a distance of 491.24 feet; thence along a curve to the right having a radius of 150.00 feet, through a central angle of 33°01'21", an arc length of 86.45 feet; thence N29°47'20"W, a distance of 497.30 feet; thence N74°55'15"W, a distance of 612.86 feet; thence S17°20'32"E, a distance of 446.13 feet; thence S07°58'03"E, a distance of 702.16 feet; thence S15°42'09"E, a distance of 794.93 feet; thence S73°27'47"E, a distance of 381.02 feet; thence along a non tangent curve to the right, having a back tangent of N16°32'14"E, a radius of 150.00 feet, through a central angle of 132°33'50", an arc length of 347.05 feet; thence S30°58'29"E, a distance of 513.35 feet; thence along a curve to the right having a radius of 75.00 feet, through a central angle of 163°33'21", an arc length of 214.09 feet; thence N47°35'33"W, a distance of 478.87 feet; thence N73°27'47"W, a distance of 537.93 feet; thence along a curve to the right having a radius of 75.00 feet, through a central angle of 47°51'52", an arc length of 62.65 feet; thence N25°49'46"W, a distance of 869.72 feet; thence N07°58'03"W, a distance of 711.27 feet; thence N17°20'32"W, a distance of 385.47 feet; thence N12°21'18"E, a distance of 263.75 feet; thence N86°05'26"E, a distance of 419.31 feet to the Point of Beginning; containing 190.98 acres, more or less.



Exhibit "C"

Subsequent Phase Property

**To the extent such property has not already been annexed into the Development:**

All that certain real property situate in the County of Plumas, State of California, described as follows:

Being a portion of Sections 15, 16, 17, 21 and 22, T.23N.R.14E., M.D.M., more particularly described as follows:

Being at a point, said point being the Northwest corner of said Section 16; thence along the North line of said Section S89°29'15"E, 2,635.30 feet; thence S85°15'28"E, 2,520.58 feet to the Northeast corner of said Section 16; thence along the East line of said Section, S00°00'58"E, 1,335.63 feet to the northwest corner of the S.W.1/4 of the N.W.1/4 of said Section 15; thence N89°50'52"E, 1,265.37 feet to the N.E. corner thereof; thence S00°26'06"E, 2,660.86 feet to the southeast corner of the N.W.1/4 of the S.W.1/4 of said Section 15, said point being on the northerly line of the River Valley Subdivision filed in the office of the Recorder of said Plumas County in Book 5 Maps page 29 thence along said subdivision S00°26'58"E, a distance of 538.90 feet; thence along said subdivision S49°36'03"W, 882.62 feet; thence S09°40'24"W, 803.42 feet; thence S49°32'30"W, 727.40 feet to the east line of said Section 21; thence S04°01'16"W, 310.92 feet to the southeast corner of the N.E.1/4 of the N.E.1/4 of said Section 21; thence along the south line thereof N88°30'31"W, 1,257.07 feet to the southwest corner of said N.E.1/4 of the N.E.1/4; thence along the west line of the S.E.1/4 of the N.E.1/4 of Section 21, S02°25'41"W, 1,352.17 feet to the southwest corner thereof, thence N89°11'02"W, 2,501.40 feet; thence S00°41'30"W, 33.87 feet; thence S88°56'20"W, 84.37 feet; thence N01°04'50"W, 1,498.59 feet to the southeast corner of River Valley Subdivision, Unit No.2, filed in the office of the Recorder of said Plumas County in Book 5 Maps, page142, thence along said subdivision, N45°31'22"W, 191.51 feet; thence N08°18'47"E, 147.86 feet; thence N07°55'18"W, 147.26 feet; thence N09°09'41"W, 125.57 feet; thence N38°17'43"W, 130.67 feet; thence N31°08'18"E, 220.45 feet; thence N15°21'59"E, 200.38 feet; thence N45°28'16"E, 82.07 feet; thence N06°13'55"E, 151.70 feet; thence N14°16'50"W, 132.39 feet; to the northeast corner of said subdivision thence along the notherly line of said subdivision, S86°19'44"W, 637.87 feet; thence N87°52'21"W, 62.30 feet to the northeast corner of Lot 5 of said subdivision; thence along said Lot, S13°29'43"E, 223.14 feet; thence S87°17'19"W, 850.57 feet; thence N49°13'40"W, 99.53 feet; thence N10°27'18"W, 171.82 feet to the northwest corner of said Lot; thence continueing N10°27'18"W, a distance of 580.89 feet; thence N64°18'41"W, 760.05 feet; thence S52°52'43"W, 22.40 feet to the centerline of Grizzly Creek; thence along said centerline, N17°06'17"W, 55.54 feet; thence N01°09'24"E, 75.61 feet; thence N58°23'46"E, 68.76 feet; thence N50°44'10"E, 119.71 feet; thence N54°22'52"E, 90.26 feet; thence N82°10'43"E, 95.45 feet; thence N43°14'24"E, 152.64 feet; thence N35°18'20"W, 435.70 feet; thence N18°24'14"W, 276.34 feet; thence N44°22'57"W, 225.47 feet; thence N11°20'23"E, 97.37 feet; thence N03°34'48"W, 178.23 feet; thence N00°47'37"W, 192.38 feet; thence N00°42'45"E, 175.31 feet to the south line of the northeast 1/4 of said Section 17; thence N86°05'26"E, 1,380.36 feet to the 1/4 corner common to Sections 16 and 17; thence N00°18'08"E, 730.00 feet; thence N20°52'38"E, 211.45 feet; thence N13°25'29"E, 205.64 feet; thence N18°54'47"W, 367.64 feet; thence N00°18'08"E, 1,127.32 feet to the point of beginning.

The basis of bearings for this description is the map filed in Book 6 Record of Surveys at page 66.



Exhibit "D"

Consent of GR Declarant, LLC



State of California )  
County of Santa Barbara )

On October 18, 20, 2019 before me, Michael Andrew Johnson, a Notary Public, personally appeared Andrew D Norris, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Michael Johnson (Seal)

