



R-RANCH  
IN THE SEQUOIAS  
OWNERS' ASSOCIATION

DECLARATION OF COVENANTS,  
CONDITIONS and RESTRICTIONS,

If this document contains any restriction based on race, color, religion, sex fender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and me be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

June 1989  
{February 1989}

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
R-RANCH IN THE SEQUOIAS  
OWNERS ASSOCIATION

This Declaration is made as of the date hereinafter set forth by R-Ranch in the Sequoias, Ltd., a California Limited Partnership, doing business in the State of California under the name "R-RANCH IN THE SEQUOIAS" (hereinafter "Developer").

## RECITALS

1. Developer is the owner of a certain tract of land located in the County of Tulare, State of California, generally known and described as R-RANCH IN THE SEQUOIAS, which property is hereinafter referred to as "RANCH IN THE SEQUOIAS",<sup>1</sup> and which real property is described in Exhibit A attached hereto and by reference incorporated and made a part hereof.
2. Developer desires to create in "R-RANCH IN THE SEQUOIAS" a recreational community with open spaces, recreational and other common facilities for the benefit of the said community, and Developer desires to provide for the preservation of the values and amenities in R-RANCH IN THE SEQUOIAS, and for the maintenance of the said open spaces, recreational and other common facilities; and to that end Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to provide for creation of an owners' association to which shall be delegated and assigned the powers of maintaining and administering the said open spaces, recreational and other common facilities and the powers of enforcing the covenants and restrictions, of collecting and disbursing the assessments and charges therefor and of enforcing the rules and regulations approved by the members of the association.
3. Developer contemplates the sale and conveyance of undivided interests in R-RANCH IN THE SEQUOIAS and desires to subject all of R-RANCH IN THE SEQUOIAS to certain covenants, conditions, restrictions, servitudes and easements for the protection and benefit of Developer and further owners of undivided interests in R-RANCH IN THE SEQUOIAS

## DEFINITIONS

In addition to other definitions provided for herein, as used herein<sup>2</sup>, the following terms shall have the following meanings:

1. **"Association"** means the R-RANCH IN THE SEQUOIAS ASSOCIATION, a California nonprofit mutual benefit corporation.
2. **"Common Furnishings"** means all furniture, furnishings, appliances, fixtures and equipment, livestock and all other personal property from time to time owned, leased or held for use by the Association and which are located in or upon the Property. Developer may maintain from time to time certain items of personal property, equipment, livestock, furniture, furnishings, appliances and fixtures on the R-RANCH IN THE SEQUOIAS property. Such items shall not be deemed, nor shall they become, part of the common furnishings of R-RANCH IN THE SEQUOIAS.
3. **"Declaration"** means this instrument, as this instrument may be amended from time to time, in the manner herein provided.
4. **"Deed"** means each initial grant deed recorded after the date hereof by which Declarant conveys an interest.
5. **"Designated User"** means the person designated by an Owner as the only person authorized to have the benefit of the rights of use and enjoyment of the Property appurtenant to that Owner's interest as further defined in Paragraph 4 of this Declaration.
6. **"Guest"** means any person or persons invited onto the Property by a Designated User. No Guest shall enter onto or remain on the Property unless the Designated User who invited the Guest is also present on the Property. The Association shall establish a reasonable limit on the number of Guests that a Designated User may invite onto the Property at any one time.
7. **"Interest"** means an Owner's ownership interest in the Property, consisting of a 1/2500 undivided fractional interest as tenant-in-common in the Property, subject to the use restrictions contained herein.
8. **"Mortgagee"** means the (a) beneficiary of a recorded deed of trust or the holder of a recorded mortgage encumbering any Interest or (b) the successor(s) to each person named in clause (a) "Mortgage" means a mortgage, deed of trust, or other security interest.
9. **"Owner"** means any person or entity that is the grantee of a Deed of an Interest, or any successor to any such person or entity.
10. **"Property"** means that real property set forth in Exhibit A, and any improvements thereon, and any additions thereto or deletions therefrom.
11. **"Purchase Agreement"** means an agreement between Declarant, and other person(s) or entity(ies) named therein as "Buyer" (Purchaser) for the purchase and sale of an interest

which contemplates the conveyance of such Interest by Deed.

**12. "Rules and Regulations"** means the rules and regulations adopted and promulgated from time to time pursuant to Paragraph 5 of this Declaration relating to the possession, use and enjoyment of the Property.

**13. "Unit"** means each of the residential facilities constructed or to be constructed on the Property; including all of the cottages, RV sites and the campsites.

**14. "Use Period"** means the time period or periods during which a Designated User has reserved the use of a Unit either in accordance with the reservation procedures or on a space-available basis as set forth in this Declaration and the Rules and Regulations.

## **DECLARATIONS:**

Developer hereby certifies, declares and establishes the following general plan for R-RANCH IN THE SEQUOIAS and hereby fixes the following covenants, conditions, restrictions, servitudes and easements which shall constitute covenants running with the land as set forth in Paragraph 14 hereof, upon each and every undivided ownership interest in R-RANCH IN THE SEQUOIAS under which restrictions, covenants, servitudes and easements shall inure to the benefit of, be binding upon and pass with R-RANCH IN THE SEQUOIAS, and each and every undivided interest therein, and shall inure to the benefit of, apply to, and bind Developer and his respective successors in title or interest.

Such restrictions, covenants, conditions, servitudes and easements are:

### **1. R-RANCH IN THE SEQUOIAS OWNERS' ASSOCIATION.**

Developer has, at his cost and expense, formed a non-profit mutual benefit corporation known as R-RANCH IN THE SEQUOIAS OWNERS' ASSOCIATION which has the powers, rights and duties hereinafter set forth. There shall be one membership in R-RANCH IN THE SEQUOIAS OWNERS' ASSOCIATION, herein called "the Association" for each undivided 1/2500 interest in R-RANCH IN THE SEQUOIAS, which membership shall be appurtenant to the land. All of such memberships shall initially be the property of the Developer or his successors in interest and shall pass to the respective purchasers of such undivided interests at the time of execution of contracts for the purchase thereof by the purchasers thereof and on recordation of the deed granting purchaser a 1/2500 interest, and the transfer of title to each respective undivided 1/2500 interest automatically transferring the membership rights appurtenant thereto. Each member shall be obligated promptly, fully and faithfully to comply with the Articles of Incorporation and By-Laws of R-RANCH IN THE SEQUOIAS OWNERS' ASSOCIATION, and the rules and regulations of the Association from time to time prescribed thereunder by its directors, and shall promptly pay all dues, fees or assessments levied by the association.

### **2. POWERS OF R-RANCH IN THE SEQUOIAS OWNERS' ASSOCIATION.**

The administration, operation, maintenance, repair and restoration of the Property, and the Common Furnishings, and any alterations and additions thereto, shall be the responsibility of the Association. The Association, acting alone in its sole and absolute discretion (through its Board, its officers, or other duly authorized representatives) may, subject to the provisions of the Association's Articles of Incorporation, the Bylaws and this Declaration, exercise any and all rights and powers hereinafter enumerated and, except as specifically limited herein, all the rights and powers of a non-profit mutual benefit corporation under the laws of the State of California.

The management, maintenance and repair of the Property, the acquisition (by purchase or lease), maintenance, repair and replacement of the Common Furnishings, the administration of all matters relating to the use and occupancy of the Property and Units, and payment, as agent, of expenses and costs enumerated in this Declaration shall be under the direction and control of the Association. The Association shall have the duty to maintain, and repair the Property, to acquire (by lease or purchase), maintain, repair, and dispose of Common Furnishings as needed, to administer the operations described herein and to levy, collect and enforce the assessments enumerated in this Declaration. The Association shall

have the exclusive possession of each Unit at all times when not occupied, for the performance of maintenance and repairs on such Unit. The Association shall have the power to do all things that are required to be done by it pursuant to this Declaration either through itself or through the delegation of its powers to committees, officers, or employees of the Association. Without limitation of the foregoing powers and duties, the Association is expressly authorized in its sole discretion and on behalf of the owners to do any or all of the following:

- (a) Shall have the sole and exclusive right and duty to manage, operate, control, repair, replace or restore all of the improvements, common furnishings, trees, shrubbery, plants and grass on R-RANCH IN THE SEQUOIAS, at their discretion. Shall have the power to contract for goods and/or services for R-RANCH IN THE SEQUOIAS Common Areas, facilities, and interests subject to the limitations provided herein. "Common Furnishings" means all furniture, furnishings, appliances, fixtures and equipment, livestock and all other personal property from time to time owned, leased or held for use by the Association and which are located in or upon the Property. Developer may maintain from time to time certain items of personal property, equipment, livestock, furniture, furnishings, appliances and fixtures, on the R-RANCH IN THE SEQUOIAS property. Such items shall not be deemed, nor shall they become, part of the common furnishings of R-RANCH IN THE SEQUOIAS.
- (b) Shall levy and collect fees, dues and assessments from its members.
- (c) Shall establish and maintain a reserve fund for these and other purposes.
- (d) Shall care for open space areas in R-RANCH IN THE SEQUOIAS and perform any labor necessary or desirable to keep and maintain said open spaces and the land contiguous and adjacent thereto neat and in good order in a manner consistent with the area and terrain.
- (e) To pay taxes and assessments, if any, levied by any governmental authority on property owned by the Association and by its members collectively, or on any Association transactions subject to tax in the normal course of business.
- (f) Shall enforce covenants, conditions, restrictions, charges, Articles of Incorporation, By-Laws and rules and regulations existing upon and created for the benefit of R-RANCH IN THE SEQUOIAS or the owners thereof, and shall pay all expenses incidental thereto, shall enforce the decisions and rulings of the Association and pay all of the expenses in connection therewith.
- (g) Shall provide for the maintenance of the ranch buildings, cabins, pool, tennis courts, campgrounds, stables, corrals, riding facilities, and other community features which may be constructed on the land set aside for the recreational use of the members of the association, and improve, light, provide for, beautify and maintain private roads and driveways, parks and other open spaces, including all grass plots, park strips, and other planted areas and trees and shrubs in and bordering upon R-RANCH IN THE SEQUOIAS as shall be maintained for the general use of its members.
- (h) Shall provide for public liability insurance and such other insurance, including cross liability provisions, as the Directors of the Association deem necessary to protect, reasonably, the Association and its members including, but not limited to errors and omissions insurance for officers and directors of the Association.
- (i) Shall adopt, amend, publish and enforce rules and regulations covering the possession, use and enjoyment of all of R-RANCH IN THE SEQUOIAS and the facilities under its control or management.
- (j) May do any and all lawful things which may be advisable, proper, authorized or



permitted to be done by the Association under and by virtue of any condition, covenant, restriction, reservation, charge, or assessment affecting R-RANCH IN THE SEQUOIAS, or any portion thereof, and to do and perform any and all acts which may be either necessary for or incidental to the exercise of any of the foregoing powers, or for the peace, health, comfort, safety, or general welfare of its members.

(k) May expend the monies collected by the Association from the assessments or charges and other sums received by the Association for the payment and discharge of all proper costs, mortgage or deed of trust payments, expenses and obligations incurred by the Association in carrying out any or all of the purposes for which the Association is formed.

(l) Shall be entitled to receive all notices, claims and demands relative to taxes and assessments affecting the R-RANCH IN THE SEQUOIAS; and by accepting title to an undivided interest in R-RANCH IN THE SEQUOIAS, the purchaser thereof thereby waives his right to receive such notices, and designates the Association as his exclusive agent for receipt of such notices, claims or demands.

(m) Shall operate and maintain the water supply system and septic systems for R-RANCH IN THE SEQUOIAS.

(n) May, without limitation of its general powers, contract with others for the maintenance, operation, construction or reconstruction of R-RANCH IN THE SEQUOIAS or any improvements thereon.

(o) Subject to the written consent therefor from fifty-one percent (51%) of all members, and fifty-one percent (51%) of all members other than Developer, may borrow money, may mortgage, pledge, deed in trust, or hypothecate any or all of its real property as security for money borrowed or debts incurred.

(p) Subject to the limitations set forth in this general paragraph may do any and all things that a corporation organized under the laws of the State of California may lawfully do, and generally may do and perform any and all other acts which may be either necessary for, or proper or incidental to, the exercise of any of the foregoing powers, and such powers as are granted by the provisions of the laws of the State of California to a corporation.

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

(r) Shall, upon the affirmative vote of (a) sixty six and two-thirds percent (66-2/3%) of the members, other than Developer, entitled to vote on this issue, and (b) the Declarant, for so long as the Declarant owns any undivided interest in the subject property, have the right and power to sell and convey all or any portion of R-RANCH IN THE SEQUOIAS. This power of sale is further subject to the following provisions:

(1) Notwithstanding the provisions of Paragraph 12 of these Covenants, Conditions and Restrictions, this paragraph (r) may not be amended until such time as Developer no longer owns any undivided interests in R-RANCH IN THE SEQUOIAS.

(2) If sixty six and two-thirds percent (66-2/3%) of the members, other than Developer, entitled to vote on this issue as well as Developer shall have voted affirmatively or shall have given their written consent to sell all or any portion of R-RANCH IN THE SEQUOIAS, and the other provisions hereof have been met, then the directors of the Association shall direct the officers of the Association to effect

such sale, and to do all acts and execute and deliver all documents necessary, appropriate and convenient in order to do so.

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

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

(5) The right and power to sell and convey all or any portion of R-RANCH IN THE SEQUOIAS may be exercised at any time, from and after the date hereof, upon the affirmative vote of 100% of the members of the Association including the vote by the Developer.

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

(s) At any reasonable time, upon giving reasonable notice if a Unit is occupied, to enter the Unit for the purpose of cleaning, and, if unoccupied, for the purposes of painting, maintenance, and repair, and to enter upon and within any Unit, at any reasonable time, whether or not in the presence of a Designated User, for the purpose of (i) making emergency repairs therein, (ii) abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such Unit, (iii) protecting property rights and the welfare of the other Owners or Designated Users, or (iv) for any other purpose reasonably related to the performance by the Association of its responsibilities under the terms of this Declaration. Such right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment by the occupant of such Unit and shall be preceded by reasonable notice to the occupant thereof, whenever the circumstances permit.

(t) Notwithstanding the powers of the Association as set forth above, neither the

Association, nor any agent as the delegate of the Association's power and duties shall enter into a contract with a third person or entity whereby such person or entity will furnish goods or services for the Property for a term longer than one (1) year unless authorized by a simple majority of Owners, other than Developer, except for:

(a) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

(b) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(c) Prepaid casualty and/or liability insurance policies not to exceed three year duration provided that the policy permits short-rate cancellation by the insured.

(d) Lease agreements for laundry room, fixtures and equipment of not to exceed five (5) years duration provided that the lessor under the agreement is not an entity in which the Developer has a direct or indirect ownership interest of ten (10) percent or more.

(e) Agreements for cable television services and equipment or satellite dish television services and equipment of not to exceed five (5) years duration provided that the supplier or suppliers are not entities in which the Developer has a direct or indirect ownership interest of ten (10) percent or more.

(f) Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five (5) years duration provided that the supplier or suppliers are not entities in which the Developer has a direct or indirect ownership interest of ten (10) or more.

Further, the Association shall not, without the vote or written assent of a simple majority of Owners other than Declarant:

(i) Incur aggregate expenditures for capital improvements to the Property in any fiscal year in excess of five percent (5%) of the budgeted gross Maintenance Expenses for that fiscal year; or

(ii) Selling during any fiscal year property owned by the Association having an aggregate fair market value in excess of five percent (5%) of the budgeted gross Maintenance Expenses for that fiscal year.

(iii) Paying compensation to members of the Board or to Officers of the Association for services performed in the conduct of the Association's business, provided however, that the Board may cause a member or Officer to be reimbursed for expenses incurred in carrying on the business of the Association.

(iv) Filling of a vacancy on the Board created by the removal of a Board Member.

### **3. PROVISIONS FOR COSTS FO MAINTENANCE AND OPERATION.**

Developer has constructed improvements and recreational facilities upon portions of RRANCH IN THE SEQUOIAS, which improvements and facilities provide community facilities for the owners of the undivided interests in the entire R-RANCH IN THE SEQUOIAS. The expenses of maintaining and operating said recreational area and the improvements and facilities thereon shall be borne proportionally by all owners of undivided interests in RRANCH IN THE SEQUOIAS, including the Developer or his successors in interest. Declarant for each undivided interest owned, hereby covenants, and every Owner, by acceptance of a deed for an interest in the subdivision is deemed to covenant to pay the Association the following assessments. On a calendar year basis, an assessment for each interest shall be

determined by dividing the total budgeted amounts for Expenses by the total number of Interests held by all Owners and Declarant. The initial regular Assessment for each Interest not held by the Declarant shall be prorated as of the date of the close of escrow pursuant to the Purchase Agreement by which the Interest is purchased. The Board shall be authorized to increase the regular assessment annually as it deems prudent and necessary, provided that no such increase which exceeds twenty percent (20%) of the previous fiscal year's regular assessments shall be levied without the vote or written assent of members constituting a quorum, casting a majority of votes at a meeting or election of the Association. Annual assessments shall commence against each undivided interest on the date of the first conveyance and close of escrow of an undivided interest in R-RANCH IN THE SEQUOIAS pursuant to the Public Report; provided, however, that Developer shall enter into a Subsidization Agreement with Association which shall provide that for a period of two (2) years from the date of the first conveyance and close of escrow of an undivided interest, Developer shall subsidize the cost of operating and maintaining the grounds and facilities, the payment of real property taxes, and the provision of necessary goods and services (the "Common Expenses") for R-RANCH IN THE SEQUOIAS by the payment of any portion of the Common Expenses of the subject property which are not paid by assessments paid by owners other than Declarant. Developer may terminate the Subsidization Agreement at such time as it determines. In connection with such covenant Developer shall execute an agreement of Subsidization and shall furnish a Letter of Credit or Surety Bond to secure its undertaking. Voting rights in the Association shall not vest until the close of escrow of the voting undivided interest. If the regular Assessments are, or will become, inadequate to meet all expenses incurred by the Association or capital expenditures to be made by the Association hereunder, or for any other reason, including nonpayment of any Owner of Assessments on a current basis, the Association shall immediately determine the approximate amount of such inadequacy, prepare and distribute a supplemental budget and levy against each Owner and Declarant, as to Interests deemed owned by it, a special assessment (the "Special Assessment") in an amount sufficient to provide for such inadequacy; provided, however, that without the vote or written assent of members, constituting a quorum, casting a majority of votes at a meeting or election of the Association, Special Assessments shall not, in the aggregate, exceed five percent (5%) of budgeted gross Expenses for the applicable fiscal year. Any Special Assessment shall be payable in one lump sum or periodically, as determined by the Association, and shall be payable within fifteen (15) days after receipt of a statement therefor. All assessments shall be a charge upon the land and shall be a lien upon the property against which the assessments are levied.

#### **4. USE OF RANCH.**

(a) "Designated User" means the person designated by an Owner as the only person authorized to have the benefit of the rights of use and enjoyment of the Property appurtenant to that Owner's interest. There shall be only one Designated User for each Interest and no person shall be the Designated User for more than one Interest at any particular time. An Owner may designate himself or herself as the Designated User for an Interest. If the Designated User is married, his or her spouse and minor children (that is, children under twenty-six (26) years of age) shall also have the benefit of the Owner's rights. If the Designated User is not married, he or she may designate one other member of the opposite sex of his/her household who, along with the minor children of either the Designated User or such other designated adult who are also members of such

household, shall also have the benefit of the Owner's rights. All of the above described designations shall be in writing, in a form approved by the Association. The Association shall be authorized to impose reasonable limitations on the frequency of changes of all such designations.

(b) The entire R-RANCH IN THE SEQUOIAS shall be used solely for ranching, grazing, hiking, camping, horseback riding, fishing, swimming, sports and other recreational uses authorized by the Association.

(c) No above-ground or underground structure or fixture of any kind or nature and no fences of any kind shall be created, maintained, or permitted upon any portion of R-RANCH IN THE SEQUOIAS, excepting only the existing fences, and any other structures or fixtures which are in place upon Developer's completion of improvements without prior written permission of the Board of Directors of the Association. No owner, guest, or person whomsoever shall place, store or keep or permit to be placed, stored or kept, upon any portion of the R-RANCH IN THE SEQUOIAS, any vehicle, personal property, or any building material or materials of any kind or nature without the prior permission of the Board of Directors of the Association.

(d) A non-exclusive and reciprocal right and easement is reserved to the owners of each and every undivided interest in R-RANCH IN THE SEQUOIAS to use and enjoy each and every portion of R-RANCH IN THE SEQUOIAS for the purpose of hiking, horseback riding, fishing, swimming, sports and other recreational uses authorized by the Association. No owner of any undivided interest shall hinder or obstruct the use and enjoyment thereof by any other such owner or his guests for such recreational purposes.

(e) No portion of R-RANCH IN THE SEQUOIAS shall be used in such manner as to obstruct or interfere with the enjoyment of owners of undivided interests in the real property, or annoy them by unreasonable noises or otherwise, nor shall any nuisance or immoral or illegal activity be committed or permitted to occur on R-RANCH IN THE SEQUOIAS.

(f) The entire R-RANCH IN THE SEQUOIAS shall be used solely for the purposes which do not provide for exemption or exceptions from the real property taxation laws of the State of California.

(g) No member (or a member's associate members or guests) shall remain on the premises for more than thirty (30) days without a minimum of a one week break. Cabins and RV sites<sup>5</sup> may be reserved for no longer than two weeks duration with one week required between reserved periods. No Owner or designated user shall be permitted, either through reserved use periods, space available use, or by any other method to establish permanent residence on the property except that Developer hereby reserves unto itself the exclusive use of 203 and 204 Main Street for its use for a period of twenty-five (25) years from the date of this Declaration.

(h) Each cabin shall be designated for use by up to two (2) unrelated families consisting of members, their associate members and their guests, as determined necessary by the Association.

(i) If any Designated User fails to vacate a Unit at the end of his Use Period, or otherwise uses or occupies a Unit during a period other than his Use Period,<sup>6</sup> or prevents another Designated User (the "Detained User") from using or occupying a Unit during such Detained User's Use Period, such Designated User (the "Detaining User") shall be subject to any or all of the following remedies at the sole discretion of the Association: (a) be subject to termination of utility services to the Unit; (b) be

subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (c) be deemed to have waived any notice required by law with respect to any legal proceedings regarding removal, eviction or ejection (to the extent that such notices may be waived under law); (d) be required to reimburse the Association and the Detained User for all costs and expenses incurred as a result of such conduct, including but not limited to costs of alternate accommodations, travel costs, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the Detaining User from such Unit, and costs (including reasonable attorneys' fees) incurred in collecting such reimbursement(s), all of which costs may be assessed against the Detaining User as "Personal Charges"; (e) pay to the Detained User entitled to use the Unit during such wrongful occupancy, as liquidated damages (in addition to the costs and expenses set forth above), a sum equal to 200% of the fair rental value per day thereof for each day or portion thereof, including the day of surrender, during which the Detaining User prevents occupancy of the Unit; and (f) prohibit the Detaining User from subsequent use until all damages incurred are paid in full. By accepting any conveyance of an Interest, each Owner agrees that, in the event of a failure to vacate by his Designated User, damages would be impracticable or extremely difficult to ascertain and that the measure of liquidated damages provided for herein constitutes fair compensation to those who are deprived of occupancy. The Association shall use reasonable efforts to attempt to remove such Detaining User from the Unit, and/or assist the Detained User in finding alternate accommodations during such holdover period and to secure, at the expense of the Association, alternate accommodations during such holdover period for any Detained User. The Association may, in its sole discretion deem it necessary to contract for a period greater than the actual period for which the use of a Unit is prevented, in order to secure alternate accommodations as set forth above. If a Designated User, by intentional or negligent act, renders a Unit uninhabitable for the subsequent Use Period(s), such Designated User shall be deemed a Detaining User and the foregoing provisions of this paragraph shall apply. Such acts of the Designated User or Guest shall be deemed to be the acts of the Owner; provided, however, that such Owner shall be responsible for the payment of amounts on account of such acts by a Designated User or Guest only to the extent the same are not reimbursed by insurance. The Association may recover any sums due under this paragraph pursuant to the assessment and lien procedures set forth herein. (j) No Owner or Designated User shall make or authorize any alterations, additions or improvements to a Unit or Common Furnishings, paint, repaint, tile, paper or otherwise refinish or redecorate any Unit which such owner may from time to time occupy; or remove, alter or replace any portion of the Common Furnishings. The right to perform all of the foregoing acts has been delegated to the Association by this Declaration. The foregoing prohibitions, however, shall not modify or affect the obligation of each Designated User for the prudent care of all property subject to his use. (j)<sup>7</sup> Declarant, on behalf of itself, its agents, employees, contractors, subcontractors, invitees, successors, assigns and other authorized personnel reserves unto itself, for a period beginning with the first acceptance by an Owner of a Deed in the Property and continuing for ten (10) years from the issuance of the most recent California Department of Real Estate Final Subdivision Public Report for the Property, an exclusive easement in, over and through the Property, including the use of a maximum of seventy-five (75) full hookup RV<sup>s</sup> sites or cabins, at Declarant's discretion, for the purposes of: (1) completing the development of the Property; (2) marketing and selling the Interests; (3) maintaining customer relations and providing post sale service to Owners; (4) displaying signs and erecting, maintaining and operating, for sales,

construction and administrative purposes, model Units and a customer relations, customer service and sales office complex located on the Property generally described as the restaurant/commissary buildings; (5) showing the Property and arranging for the accommodation and use of any recreational facilities within the Property by prospective purchasers; (6) marketing and resales of interests. Declarant shall exercise these easements reasonably, and so as to minimally affect the rights of other Owners and Designated Users. Declarant shall utilize the restaurant/commissary for sales purposes only so long as the initial 2500 undivided interests remain unsold or until 3 years from the issuance of the Final Report, whichever comes first. After such time any sales activities shall be conducted from the Administrative Office. Developer shall pay all actual costs of maintenance of such facilities, and such reserves as are set forth in the budget for such facilities, for the period of time such facilities are retained for the exclusive use of Developer. In the event Developer shall fail to pay such costs and Reserves, the Association shall have the right to prohibit Developer's further use of such facilities until such time as all such costs and reserves are paid in full.

(k) No person owning an interest shall sell, convey, hypothecate or encumber less than all of his Interest. Any sale, conveyance, hypothecation or encumbrance by any such person of less than all of his interest shall be null, void and no effect.

## **5. RULES.**

The Association may adopt such reasonable rules, not inconsistent with this declaration, as may be necessary or convenient to discharge the duties and responsibilities imposed upon them. Such regulations may, among other things, control any activities which might otherwise detract from the appearance of R-RANCH IN THE SEQUOIAS or offend or cause any inconvenience or danger to persons visiting therein. Such rules shall authorize the governing body (Board of Directors) to impose monetary penalties, temporary suspension of an owner's rights as a member of the Association, or other appropriate discipline for failure to comply with the governing instruments, provided that the accused is given notice and the opportunity to be heard by the Board as further provided in the By-Laws with respect to the alleged violation before a decision to impose discipline is reached. Such rules may further provide for suspension of rights and privileges or for monetary penalties for violation of such rules, including, without limitation, the cost of correcting any violation thereof, provided that no suspension shall be effective for more than 90 days. Such rules shall further provide for arbitration if the Board proposes to purchase and/or require a member to sell his interest at fair market value.

## **6. BREACH.**

The result of every act or omission whereby any of the covenants contained herein are violated in whole or in part is hereby declared to be and constitute a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against such result and may be exercised by the Board of Directors, Developer, or his successors in interest.

## **7. LIABILITY AND LIENS.**

Each owner holds one fractional undivided interest in the Property for each Interest owned and the Declarant shall be deemed to be the holder of all fractional interests in the Property other than those held by Owners. Declarant, for each fractional interest held by it, hereby covenants and each Owner by accepting a Deed of an Interest, whether or not it shall be so

expressed in the Purchase Agreement or Deed, shall be deemed to have covenanted and agreed, for each fractional interest held, to pay to the Association the regular Assessment, all special Assessments, and all other sums due, which shall be established, made and collected as hereinafter provided. In each instance wherein an owner of an undivided interest in R-RANCH IN THE SEQUOIAS is made liable to the Association for an assessment, monetary penalty, or other sums due, pursuant to these restrictions and the implementation thereof, such liability shall be a personal liability of such owners. In the event such liability is not satisfied when due, it shall be and become delinquent and interest at the rate of twelve percent (12%) per annum (or such other rate of interest as the Board may from time to time establish) and all costs, including a reasonable sum for attorney's fees, shall be added thereto. If such delinquency is not cured within ten (10) days after it becomes delinquent, the Association, to which such sum is owing may:

(a) Have full power and authority to enforce compliance with this Declaration, the Bylaws and the Rules and Regulations in any manner provided for herein by law or in equity, including, without limitation, bringing (i) an action for damages; (ii) an action to enjoin any violation or specifically enforce the provisions of this Declaration, the Bylaws and the Rules and Regulations; and (iii) an action to enforce the liens provided for herein and any statutory lien provided by law, including the foreclosure of any such lien and the appointment of a receiver for an Owner. In the event the Association or any Owner(s) shall employ an attorney to enforce any provision(s) of this Declaration, the By-Laws or the Rules and Regulations against any Owner, the party engaging the attorney shall be entitled to recover from the Owner violating any such provision(s) reasonable attorneys' fees and costs in addition to any other amounts as provided for herein. All sums payable hereunder by an Owner shall bear interest at twelve percent (12%) per annum (or such other rate of interest as the Board may from time to time establish) from the date due, or if advanced or incurred by the Association, or any other Owner pursuant to authorization contained in this Declaration, commencing ten (10) days after repayment is requested. All enforcement powers of the Association shall be cumulative. Each Owner by accepting a Deed shall be deemed to have covenanted and agreed that the Association shall have all of the rights, powers and remedies set forth in this Paragraph 7 and elsewhere in this Declaration.

(b) If any Owner or his Designated User shall be in breach of this Declaration, the Bylaws or the Rules and Regulations, including, but not limited to, the failure of such Owner to pay any Assessment on or before the due date thereof, subject to the limitations hereinafter in this subparagraph set forth, the Association may suspend the right of such Owner and his Designated User to use or occupy the Property or reserve any Unit and the right of such Owner to participate in any vote or other determination provided for herein. If such suspension of privileges is based on the failure of an Owner to pay Assessments or any other amount(s) due hereunder when due, the suspended privileges of such Owner and his Designated User shall be reinstated automatically at such time as the Owner shall have paid to the Association, in cash or by cashier's or certified check, all amounts past due as of the date of such reinstatement. If such suspension of privileges is based on any act or omission other than the failure of an Owner to pay Assessments or any other amount(s) due hereunder when due, no suspension shall be made except after a meeting of the Board at which a quorum of the Board is present, duly called and held for such purpose in the same manner as provided in the Bylaws for the noticing, calling and holding of a special meeting of the Board. Written notice of such meeting and the purpose thereof, including the reasons for the suspension sought, shall be given to the Owner and Designated User whose privileges are being sought to be suspended at least fifteen (15) days prior to the



holding of such meeting. Such Owner and Designated User shall be entitled to appear at such meeting and present the case as to why such privileges should not be suspended. The decision as to whether such privileges should be suspended shall be made by a majority of the members of the Board present at such meeting. Written notice of suspension and the reasons therefor shall be given to the suspended Owner and Designated User and the suspension shall become effective on the date such notice is given but not earlier than the fifth day following the date of such decision.

(c) With respect to any delinquent Assessment levied against an Owner's interest, may file for record in the office of the Tulare County Recorder and mail to the record owner at his last known address a notice of delinquency as to such undivided interest, which notice shall state all amounts which have become delinquent with respect to such undivided interest (including interest thereon at twelve percent (12%) per annum, fees and all costs of collection including reasonable attorney's fees), a description of the undivided interest in respect to which the delinquent payment is owed and the name of record of the reputed owner of such interest. Such notice shall be signed by an officer of the Association. In the event the delinquency is cured by full payment of all amounts due prior to the completion of sale held to foreclose the lien created thereby, the Association shall record a further notice, similarly executed, stating the satisfaction and releasing the lien. Immediately upon recordation of a notice of delinquency, the amounts delinquent, as set forth in such notice, shall be and become a lien upon the undivided interest with respect to which such notice was recorded, which lien shall also secure all future liabilities of the owner therefor which shall become due and payable with respect to such undivided interest following such recording. The lien shall continue until all amounts secured thereby are fully paid or satisfied, or, until the time of the Trustee Sale at the conclusion of the notice of delinquency and foreclosure at which time any proceeds of the sale shall first be applied to pay any and all sums due the Association. The lien shall be subordinate to the lien or charge of any bona fide first mortgage or first deed of trust made in good faith and for value on R-RANCH IN THE SEQUOIAS, recorded prior to the date of the recording of the notice of delinquency referred to in this paragraph.

Such lien may be enforced by sale by the management body, its attorney or other person authorized to make the sale, after failure of the owner to pay such an assessment in accordance with this agreement, such sale to be conducted in accordance with the provisions of Section 2924, 2924b and 2924c of the Civil Code, applicable to the exercise of powers of sale and mortgages and deeds of trust, or in any other manner permitted by law. Unless otherwise provided in this Declaration of Covenants, Conditions and Restrictions, the management body shall have the power to bid on the undivided interest at the foreclosure sale and to hold, mortgage and convey the same. The certificate of sale shall be executed and acknowledged by any two members of the Board or by the person conducting the sale. A deed upon court foreclosure shall be executed in a like manner after the lapse of the period of redemption then required by the statute. Reasonable attorney's fees, court costs, title search fees, interest and all other costs and expenses reasonably incurred shall be allowed to the extent permitted by law. Monetary penalties referred to in this section shall not be enforced by any lien with power of sale.

A breach of covenants or restrictions contained herein shall not affect or impair the lien or charge of any bona fide mortgage or deed of trust made in good faith and for value on any undivided interest herein; however, any subsequent owner of such property shall be bound by such covenants and restrictions, including assessments thereafter becoming due and liens resulting therefrom, whether such owner's title was acquired by foreclosure or deed in lieu of foreclosure or in a trustee's sale or otherwise. A bona fide mortgage or deed of trust holder, including the Developer, who acquires title to an undivided interest by foreclosure or Trustee's sale or by conveyance in lieu of foreclosure in connection with such mortgage or Deed of Trust shall not be obligated to pay any lien in favor of the Association which was subordinate to the mortgage or deed of trust and any such lien shall be extinguished; provided, however, such unpaid assessment or assessments shall be deemed to be common expenses collectible from all owners, including such mortgage or Deed of Trust holder.

#### **8. PAYMENT OF TAXES.**

Association shall promptly pay all real and personal property taxes and assessments before they become delinquent, on behalf of the owners of the undivided interests in R-RANCH IN THE SEQUOIAS, and shall bill each owner of an undivided interest at his last known address as shall be shown on the purchase agreement whereby the respective owners acquired their interests, or to such other addresses as such respective owners may subsequently notify Association for his proportionate share of the taxes and assessments.

#### **9. INDIVIDUALS TO OWN UNDIVIDED INTERESTS.**

No undivided interest in R-RANCH IN THE SEQUOIAS shall be owned by more than one person or other entity except as follows, and only subject to the following provisions:

- (a) A husband and wife may jointly own an undivided interest.
- (b) Developer may from time to time own an indefinite number of undivided interests. Developer's ownership may be by any form of business entity, and Developer may convey his right, title and interest to any form of business entity.
- (c) If legal title or an equitable interest is acquired by any corporation, partnership, or other entity, then such entity shall be entitled to have a membership in the Association issued to only one individual living person and only that individual's immediate family members shall be entitled to the privileges of Associate membership in the Association. Such entity shall not be entitled to designate a substitute individual more frequently than one time per calendar year or as proscribed by the Board without the consent of the Board.
- (d) An interest may pass under the estate of a deceased person to more than one (1) person; provided, that only one (1) individual living person shall be entitled to have membership privileges in the Association derived from such undivided interest, and only the members of that individual's family shall be entitled to the privileges of associate membership in the Association.

#### **10. RIGHT OF ENTRY**

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

## **11. NO WAIVER**

A waiver of a breach of any of the foregoing conditions or restrictions, including the waiver of any right under Paragraph 7, shall not be construed as a waiver of any succeeding breach or violation, and no such waiver shall result in or impose any liability on Developer, or his successors in interest.

## **12. AMENDMENTS.**

Subject to the compliance with the real estate law of the State of California, these covenants, conditions and restrictions may be amended by vote or written assent of the members representing both:

(a) A majority of the total voting power of the Association; and

(b) A majority of the votes of members other than the Developer or its assigns.

The percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

## **13. SEVERABILITY.**

Should any covenant or restriction contained herein be void or be or become unenforceable in law or equity, the remaining portions hereof shall remain in full force and effect.

## **14. TERM.**

These covenants, restrictions and agreements shall run with the land and shall continue in full force and effect until January 1, 2035, at which time the same shall be automatically extended for successive periods of ten (10) years, unless by a duly executed and recorded statement, the then owners of sixty-six and two-thirds percent (66-2/3%) or more of the undivided interests in R-RANCH IN THE SEQUOIAS elect to terminate or amend said restrictions in whole or in part.

## **15. EQUITABLE SERVITUDES.**

The various and restrictive measures and provisions of this Declaration are declared to constitute mutual equitable covenants and servitudes for the protection and benefit of RRANCH IN THE SEQUOIAS and the owners thereof, and failure by the Developer or any other person or persons entitled to do so to enforce any measure or provision, upon violation thereof, shall not stop or prevent enforcement thereafter or be deemed a waiver of the right to do so. Each grantee of a conveyance or purchaser under a contract or agreement of sale, by accepting a deed or a contract of sale or agreement of purchase, accepts the same subject to all of the covenants, restrictions, easements, and agreements set forth in this Declaration, and agrees to be bound by the same.

## **17. ENFORCEMENT DELAY.**

No delay or omission on the part of the Developer or his successors in interest or on the part of the owner or owners of any undivided interest in exercising any right, power or remedy herein provided, in the event of any breach of said conditions herein contained, shall be considered as a waiver thereof, or acquiescence therein.

## **18. ENFORCEMENT OF BONDED OBLIGATIONS.**

When improvements to Common Areas which are included in the subdivision offering have not been completed prior to the issuance of the public report and the Association is an obligee under a bond or other arrangement, hereinafter referred to as the "Bond", to secure performance of the commitment of the Declarant or other person to complete the

improvements, the following provisions shall apply:

(a) The Board is required to consider and vote on the question as to whether the Association shall enforce the obligations under the Bond with respect to any improvement for which a Notice of Completion has not been filed within 60 days after the completion Date specified for that improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board is required to consider and vote on the question if a notice of completion has not been filed within thirty (30) days after the expiration of the extension.

(b) If the Board fails to consider and vote on the question as to whether the Association shall enforce the obligation under the Bond as set out in Subsection (a) above, or if the Board decides not to initiate action to enforce the obligations under the Bond, Members representing not less than five percent (5%) of the total voting power of the Association's Members may demand such a meeting by presenting a petition signed by such Members to the Board or to the President or Secretary of the Association. On receipt of such petition, the President or Secretary shall call a special meeting of the Members to be held not less than thirty-five (35) days or more than forty-five (45) days after receipt of the petition.

(c) At the meeting called for in Subsection (b) above, the Members shall consider and vote on the questions that the Board is required to consider in Subsection (a) above.

(d) If a majority of the voting power of the Association residing in Members other than the Declarant vote to take action to enforce the obligations under the Bond, that vote shall be deemed to be the decision of the Association and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

## 19. EXISTING FACILITIES.

R-RANCH IN THE SEQUOIAS consists of 750 acres, more or less, of real property along with certain substantial improvements. With the exception of those improvements built by the Developer, all other improvements were constructed by the original logging town in the 1930's. These improvements have been restored by the Developer in a manner consistent with their original construction. Existing materials were used extensively wherever possible to retain the original flavor of the logging town. Restoration of buildings have been in accord with Tulare County building permits and inspections, however, the restoration is not to newbuilding standards.

IN WITNESS WHEREOF, the undersigned being the Developer herein, has executed this declaration this 30<sup>th</sup> day of January, 1989.

R-RANCH IN THE SEQUOIAS, LTD.  
a California Limited Partnership,  
Developer

By David A. Filipps, General Partner  
David A. Filipps, General Partner

TO 1848 CA (8-74)  
(Partnership)

STATE OF CALIFORNIA } SS.

COUNTY OF Nevada

On February 6, 1989

before me, the undersigned, a Notary Public in and for said State, personally appeared  
David A. Filipps

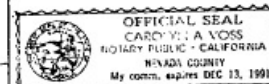
STAMP HERE

known to me  
to be General Partner the partners of the partnership  
that executed the within instrument, and acknowledged to me  
that such partnership executed the same.

WITNESS my hand and official seal.

Signature Carolyn A. Voss

TITLE INSURANCE  
AND TRUST  
A TOWN COMPANY



(This area for official notarial seal)

**PARCEL NO. 1:**

The Southwest quarter of the Southwest quarter of Section 28; the Southeast quarter of Section 29; the Northeast quarter of Section 32; the North half of the Northeast quarter of the Northwest quarter of the Southeast quarter of Section 32; the North half of the Northeast quarter of the Southeast quarter of Section 32; the Northwest quarter of the Northwest quarter of Section 33; the South half of the Northwest quarter of Section 33, and the Southwest quarter of Section 33, all in Township 22 South, Range 32 East, Mount Diablo Base and Meridian, in the County of Tulare, State of California, according to the Official Plat thereof.

**PARCEL NO. 2:**

Government fractional Lots 7 and 10 in the Southwest quarter of Section 29, Township 22 South, Range 32 East, Mount Diablo Base and Meridian, in the County of Tulare, State of California, according to the Official Plat thereof.

**NOTES:**

The forgoing document was recorded in the official records of the Tulare County Clerk/Recorder on February 14, 1989, in Volume 4801 at Page 371, Document number 89-007687 (34 pages), and is the only "official" version of the CC&R's. The Developer distributed two versions of the CC&R's, one of which contained subtle changes from the official version, and had not been approved by a 2/3 vote of the membership. The unofficial changes ("later printed versions") are detailed below and are referenced in the body of the document.

1. Later printed versions of the CC&R's failed to include the definition phrase "which property is hereinafter referred to as "RANCH IN THE SEQUOIAS",".
2. Later printed versions changed "as used herein" to "additions thereto or deletions therefrom used herein,".
3. Later printed versions failed to include the phrase "owned by the Association and by its members" in this sentence.
4. The original sub-paragraphs that follow are lettered (a) through (f). Later 'versions' changed the identifiers to (1) through (6).
5. Later printed versions did not include the words "and RV sites" in this sentence.
6. Later printed versions did not include the phrase "or otherwise uses or occupies a Unit during a period other than his Use Period," in this sentence
7. Later printed versions changed this duplicate paragraph identifier from "(j)" to "(k)".
8. Later printed versions did not include the word "RV" in the phrase "(75) full hookup RV sites or cabins".
9. Later printed versions changed this paragraph identifier from "(k)" to "(j)".