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SEAL INTER-COUNTY TITLE CO.
BY Charles E. Bradley

AMENDMENT AND RESTATEMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(SIERRA BROOKS)

THIS AMENDMENT AND RESTATEMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 24th day of June, 1975, by OCCIDENTAL LAND, INC., a California corporation ("Declarant").

A. Declarant executed a Declaration of Covenants, Conditions and Restrictions on March 9, 1971, recorded May 27, 1971, in Book 53, Pages 107 through _____, inclusive, of Official Records of Sierra County, California, and supplemented thereafter by the recordation of a Supplement on October 29, 1971 (said Declaration as supplemented is referred to hereinafter as the "Original Declaration"), covering certain real property in the County of Sierra, State of California, which is more particularly described in Exhibit "A" thereto (the "Subject Property").

B. The Original Declaration, in Section 9.02 of Article IX provides for the amendment thereof by the written consent of the owners of fifty-one percent (51%) of the Subject Property. Declarant is the owner of more than fifty-one percent (51%) of the Subject Property and desires to amend the Original Declaration; and

C. The Subject Property covered by the Original Declaration consists of approximately 2700 acres. Such coverage was consistent with Declarant's original plan to develop the Subject Property as an integrated project over a short time span. However, less than 500 acres of the Subject Property have been developed and it is uncertain when and if portions of the remainder of the Subject Property will be developed. In order to reflect the current stage of development and to provide THE SIERRA BROOKS PROPERTY OWNERS ASSOCIATION with greater flexibility in the conduct of its affairs, Declarant desires to make only the developed portions of the Subject Property subject

to the covenants, conditions and restrictions herein, and to provide annexation procedures for the addition of other portions of the Subject Property when and if they are to be developed. The Declarant also desires to make certain technical and procedural changes in the Original Declaration, and, accordingly, the Original Declaration is hereby amended, modified and restated in its entirety to read as hereinafter set forth. Upon recordation in the Office of the Sierra County Recorder of this Amendment and Restatement, the provisions contained in the Original Declaration shall be superseded in their entirety.

NOW, THEREFORE, Declarant hereby declares that the Declaration shall be amended and completely restated in its entirety to read as follows:

RECITALS:

A. The real property subject hereto is that certain real property located in Sierra County, California, and more particularly described in Exhibit "A" attached hereto and made a part hereof by this reference ("Properties").

B. Declarant has deemed it desirable to impose a general plan for the improvement and development of the Properties and the adoption and establishment of covenants, conditions and restrictions upon the Properties and each and every Lot and portion thereof and upon the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties.

C. Declarant has deemed it desirable for the efficient preservation of the value, desirability and attractiveness of the Properties and any additional property which may be annexed thereto, pursuant to the provisions of this Declaration, to create a corporation to which should be delegated and assigned the powers of maintaining and administering the Common Area and administering and en-

forcing these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the provisions for assessment and charges hereinafter created and referred to.

D. THE SIERRA BROOKS PROPERTY OWNERS ASSOCIATION, a nonprofit corporation, has been incorporated under the laws of the State of California for the purpose of exercising the powers and functions aforesaid.

E. Declarant will convey title to all of the Lots in the Properties subject to certain protective covenants, conditions, and restrictions hereinafter set forth.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of the Properties shall be held, sold, hypothecated and conveyed subject to the following covenants, conditions, restrictions and easements which are hereby declared to be for the benefit of all of the Properties and the Owners thereof, their heirs, successors and assigns. These covenants, conditions, restrictions and easements shall run with the Properties and shall be binding on all parties having or acquiring any right, title or interest in the Properties or any part thereof and shall inure to the benefit of each Owner thereof and are imposed upon the Properties and every part thereof as a servitude in favor of each and every parcel thereof as the dominant tenement or tenements.

I

DEFINITIONS

Section 1. The term "Properties" as used herein shall mean and refer to that certain real property described in Exhibit "A".

Section 2. The term "Lot" as used herein shall mean and refer to any numbered or lettered plot of land shown upon any recorded subdivision map of the Properties (with the exception of the Common Area and public streets within the Properties).

Section 3. The term "Common Area" as used herein shall mean and refer to all real property now owned by the Association or hereafter conveyed to the Association by the Declarant pursuant to Section 4 of Article VIII below, which is held for the common use and enjoyment of the Owners and Members of the Association. The Common Area owned by the Association as of the date of execution of this Declaration is described in Exhibit "B" attached hereto and made a part by this reference.

Section 4. The term "Declaration" as used herein shall mean and refer to this Amendment and Restatement of Covenants, Conditions and Restrictions, as the same may be amended from time to time, together with any and all Supplementary Declarations which may be recorded from time to time pursuant to the provisions of Article VIII hereof.

Section 5. The term "Owner" as used herein shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties; provided, however, that in the case of a Lot which is being sold under a recorded contract of sale, Owner shall mean the purchaser thereunder.

Section 6. The term "Association" as used herein shall mean and refer to THE SIERRA BROOKS PROPERTY OWNERS ASSOCIATION, a nonprofit corporation, its successors and assigns.

Section 7. The term "Board of Directors" or "Board" as used herein shall mean and refer to the Board of Directors of the Association.

Section 8. The term the "Declarant" as used herein shall mean and refer to OCCIDENTAL LAND, INC., a California corporation, its successors and assigns.

Section 9. The term "Member" shall mean and refer to each person entitled to membership in the Association as provided in this Declaration and in the Association's Articles of Incorporation and By-Laws.

Section 10. The term "Committee" as used herein shall mean and refer to the Architectural Control Committee established pursuant to the terms of Article XI of this Declaration.

II

NATURE AND PURPOSE OF COVENANTS

The covenants, conditions and restrictions set forth in this Declaration constitute a general scheme for the development, protection and maintenance of the Properties to enhance the value, desirability and attractiveness of the Lots and Common Area for the benefit of all Owners of Lots therein. These covenants, restrictions and conditions of this Declaration are imposed upon Declarant and upon the Owners of all Lots. Said covenants, conditions and restrictions are for the benefit of all Lots, and shall bind the Owners of all such Lots. Such covenants, conditions and restrictions shall be a burden upon and a benefit

to not only the original Owner of each Lot but also his successors and assigns. All such covenants, conditions and restrictions are intended as and are hereby declared to be covenants running with the land or equitable servitudes upon the Properties, as the case may be.

III

USE OF LOTS AND COMMON AREA

Section 1. Minimum Setback Requirements.

(a) General. Except as provided to the contrary herein, all parts of any type of structure placed on a Lot shall be located in such a manner as to comply with the setback requirements set forth below. In its review of plans and specifications under the provisions of Article XI hereof, the Committee shall determine, among other matters, whether the setback requirements set forth below have been met. Any questions of interpretation of these provisions shall be determined within the discretion of the Committee. The following structures and improvements are specifically excepted from the setback requirements set forth in this Declaration: utility pole lines; underground pipe lines; conduits; ditches; water works facilities for the production and distribution of water primarily for irrigation purposes; fences; streets and alleys. The term "property line" as used hereinafter shall mean and refer to the lines which delineate Lot boundaries on any recorded subdivision map.

(b) Front Yard Setback. The setback line shall be at least thirty-five (35) feet from the front property line of each Lot except that no structure or improvement, including fences, shall be erected nearer than forty (40) feet to the point of intersection of any two (2) streets or highway lines within the Properties; provided, however, that if the Committee shall determine that extenuating circumstances with respect to any Lot are such that conformance to these setback minimums would result in undue hardship on the Owner of such Lot, the Committee may approve such other setback as may be reasonable under the circumstances.

(c) Side Yard Setback. The setback line is established at a minimum of ten (10) feet from the side property line of each Lot.

(d) Rear Yard Setback. The setback line is established at a minimum of twenty (20) feet from the rear property line of each Lot.

(e) Change in Setback. Notwithstanding anything contained in this Article to the contrary, in the event the zoning of the Properties allows setbacks which differ from the setbacks established by this Declaration, the more restrictive setbacks shall apply.

Section 2. Completion of Construction. After commencement of construction of any structure or improvements, the work thereon shall be diligently prosecuted, to the end that the structure or improvements shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof, and in no event longer than one (1) year from the date of commencement of construction. If construction is not completed within one (1) year from the date of commencement, or if the same is not completed in accordance with plans approved by the Committee under the terms of Article XI hereof, the Association shall give notice of such to the Member responsible, and if corrective action has not been completed within sixty (60) days thereafter, the Association shall at its option either (i) remove the construction, or (ii) complete or correct the same to comply with approved plans, and in either case the responsible Member shall reimburse the Association for all expenses incurred. Such expenses shall be added to and become a part of the assessments to which the responsible Member's Lot is subject. No structure shall be occupied prior to the completion of such structure in accordance with plans and specifications approved by the Committee, nor prior to issuance of a certificate of occupancy by the appropriate governmental agency.

Section 3. Excavation. Exposed openings resulting from any excavation shall be backfilled and the disturbed ground shall be returned as nearly as possible to its original condition. All excavations shall be done in strict compliance with the Sierra County Grading Ordinance and upon completion of such work it shall be certified by a California registered civil engineer as complying with all applicable Sierra County Grading Ordinances.

Section 4. Signs. No sign shall be permitted on any Lot, other than a sign of reasonable size and location offering the Lot for sale or lease. All for sale signs shall comply with local laws and regulations. All signs other than those offering Lots for sale or lease, shall only be of such size, design, color and location as are specifically approved in writing by the Committee. In the event the Committee adopts standards for signs or standard form signs, all signs other than those offering Lots for sale or lease must conform to such standards or standard forms. In the event such standards are adopted, all existing signs which do not conform to such standards or standard forms shall no longer be permitted and shall be promptly removed from the Lots or Common Area. Notwithstanding the foregoing, Declarant, and its successors or assigns, may use and place on the Properties directional signs and signs for the purposes of advertising the Properties so long as Declarant owns the Lot upon which such signs are placed. In addition, the Declarant may also construct, operate and maintain a sales office on the Common Area and a sales office on the Lots, in connection with its continuing sales program, and in furtherance thereof, shall have an easement over all of the Common Area for ingress, egress and parking for itself, its agents, employees and prospective buyers of the Lots, such rights, uses and easements to continue for a period of FIVE (5) years from and after the date of recordation of this Declaration. No such use of the Common Area by Declarant shall unreasonably restrict the Owners in their use of the Common Areas.

Section 5. Trailers. Except during the period of completion of construction of a residential structure, no trailer shall be permitted on any Lot for residential purposes, except a lot designated as a "Trailer Lot" in a Supplementary Declaration of Covenants, Conditions and Restrictions in accordance with Article VIII of this Declaration. In accordance with this section any trailer to be placed on any Lot must have the prior written approval of the Committee before it can be placed on such Lot.

Section 6. Building Regulations, Type, Size, Location. Any building or structure of whatever type (including modular housing and mobile homes) shall be properly maintained. Not more than one (1) single family residence and one (1) guest cottage, and accessory building and a garage may be constructed or located on any one (1) Lot. The main residence shall be the first improvement to be constructed or placed on each Lot except as otherwise approved by the Committee pursuant to the terms of Article XI hereof. The single family residence located on any Lot shall contain in the case of a multiple story residential structure, a minimum of six hundred (600) square feet of living area on the main floor, and a minimum of eight hundred (800) square feet of living area on the main floor in a one-story residence. Any guest cottage, accessory building, or similar building, or garage constructed on any Lot shall conform in architectural design and exterior material finish to the residential structure located on that particular Lot, but such appurtenant structure may not contain a square foot area which exceeds twice the total square foot area contained within the main residential structure. No building or structure of any type shall be located between the primary residential structure and the front setback line of the particular Lot.

Section 7. Building Regulations, Roofs, Siding, Projections. No metallic roofing or siding will be permitted on any structure unless such roofing or siding is to be painted or coated with a non-glare material which has been approved by the Committee. Except as expressly provided to the contrary herein, no projection of any type shall be placed or permitted above the roof line of any structure with the exception of one (1) or more chimneys and one (1) or more vent stacks. No overhang or overhang supports shall be constructed or erected on any Lot which will interfere with the view of any Owner of any Lot. No air conditioning units, ducts, conduits, or pipes may be placed on the roof of any building structure. With the exception of one (1) television antenna of a shape, size and location as may be approved by the Committee, no outside television or radio aerials, antenna or other facilities shall be constructed, erected or maintained on any Lot unless they are installed in such manner that they are not visible from other portions of the Properties and are approved by the Committee pursuant to Article XI hereof.

Section 8. Animals. Livestock, horses, chickens, and other similar farm animals may be kept on any Lot, provided that they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers, and in particular, there shall be no more than two (2) cats and/or three (3) dogs per Lot, nor more than one (1) cow and two (2) horses per full acre of any Lot. The keeping of all such animals shall be in strict conformity with all applicable Sierra County Zoning Ordinances, and such rules and regulations as may be established and adopted from time to time by the Association. All Lots on which farm animals are kept shall be adequately fenced so as to keep such animals on that Lot.

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Section 9. Maintenance of Lots and Storage of Equipment on Lots. No noxious or offensive activity shall be carried on upon any Lot or any part of the Properties, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. All rubbish, trash and garbage shall be regularly removed from the Properties and shall not be allowed to accumulate thereon. No materials, supplies or equipment including inoperable motor vehicles shall be stored on any part of a Lot except inside an enclosed structure or garage. Trash and debris containers within the Properties must be kept and maintained within a screened area not to exceed a maximum of fifty (50) square feet and surrounded by a fence at least six (6) feet high. Outdoor clotheslines shall be surrounded by a wooden fence with a minimum height of at least six (6) feet and of a size and location approved by the Committee.

Section 10. Firearms. No firearms may be discharged on any Lot. No hunting of any kind, including by bow and arrow, is permitted on the Properties. Fireworks of any description are prohibited on the Properties.

Section 11. Preservation of Trees. No trees which are now located or which may be located on any portion of the Properties shall be removed, cut down or in any way damaged or destroyed without the prior written approval of the Committee.

Section 12. Plants. No plants or seeds infected with noxious insects or plant diseases shall be brought upon, grown, or maintained upon any Lot. Declarant, the Association, or the Committee or its agents shall have the right to enter upon any Lot and, at the expense of the Owner of the Lot, remove infected

or diseased plants and/or spray the same and/or take measures as either may reasonably deem necessary to protect the Properties from the spread of such infection and/or disease.

Section 13. Sewage Disposal. Individual septic tank leaching systems are authorized for purposes of sewage waste treatment and disposal on all Lots within the Properties, subject to the Owner obtaining all necessary permits as may from time to time be required by the appropriate Sierra County agencies.

IV

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and an easement of enjoyment in and to the Common Area and nonexclusive easements for ingress and egress over and through the private streets or drives, if any, within the Properties, as shown on recorded maps, and such easements shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area; provided, however, that Owners and members of their family and guests of Owners shall be excluded from all such admission charges;

(b) The right of the Association to limit the number of guests, and to adopt Association rules regarding the use and enjoyment of the Common Area;

(c) The right of the Association to suspend the voting rights and right to use of the recreational privileges within the Common Area by an Owner for any period during which an assessment against such Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days after notice and hearing for any infraction of its published rules and regulations;

(d) 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 has been signed by the Secretary of the Association certifying that such dedication, sale or transfer has been approved by two-thirds (2/3) of the voting power of both classes of Members, except that such certification and approval shall not be required for the grant and transfer of easements reserved by the Declarant under Article X below for the installation and maintenance of electric, telephone, cable television, water, gas, and sanitary sewer lines and drainage facilities.

(e) The right of Declarant (and its sales agents and representatives) to the nonexclusive use of the Common Area and the facilities thereof for the time period set forth in Article III, Section 4, for display, exhibit, and general administration purposes in connection with the sale of Lots within the Properties which right Declarant hereby reserves; provided, that no such use by Declarant or its sales agents or representatives

shall unreasonably restrict the Members in their use and enjoyment of the Common Areas or facilities thereof.

Section 2. Delegation of Use. Any Owner may delegate his right of use and enjoyment to the Common Area to the members of his family or his tenants who reside on his Lot.

Section 3. Common Egress and Drainage Easements.

Every Owner shall have a right and an easement of enjoyment of use of those areas designated as public Common Access and Drainage Easements, as shown on recorded subdivision maps covering the Properties, for the purpose of pedestrian, equestrian and bicycle travel (but excluding any and all motor-propelled vehicles of any type whatsoever), and each Lot abutting such an area is hereby declared to have an easement for drainage purposes over and through such area.

V

THE ASSOCIATION: MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who is an Owner, including Declarant, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Member's Rights and Duties. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Association's Articles and By-Laws, and the Association Rules as the same may from time to time be amended.

Section 3. Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall

not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of such Lot, and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

Section 4. Voting--Number of Votes. The Association shall have one (1) class of voting membership:

Class A. All Owners (including Declarant as to all unsold lots) shall be entitled to one (1) vote for each Lot owned. When more than one person holds an ownership interest in any Lot, all such persons shall be entitled to all rights and privileges of membership. The vote for such Lot shall be exercised as its Owners collectively determine, but in no event shall more than one vote be cast with respect to any Lot.

VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Covenant to Pay Assessment. Declarant, on behalf of itself, and for each Lot owned, hereby covenants, and each Owner of any Lot by acceptance of a deed or contract of sale therefor, whether or not it shall be so expressed in such deed or contract of sale, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, and (3) reimbursement assessments, all such assessments to be established and collected as hereinafter provided. Each of such assessments, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. The personal obligation for

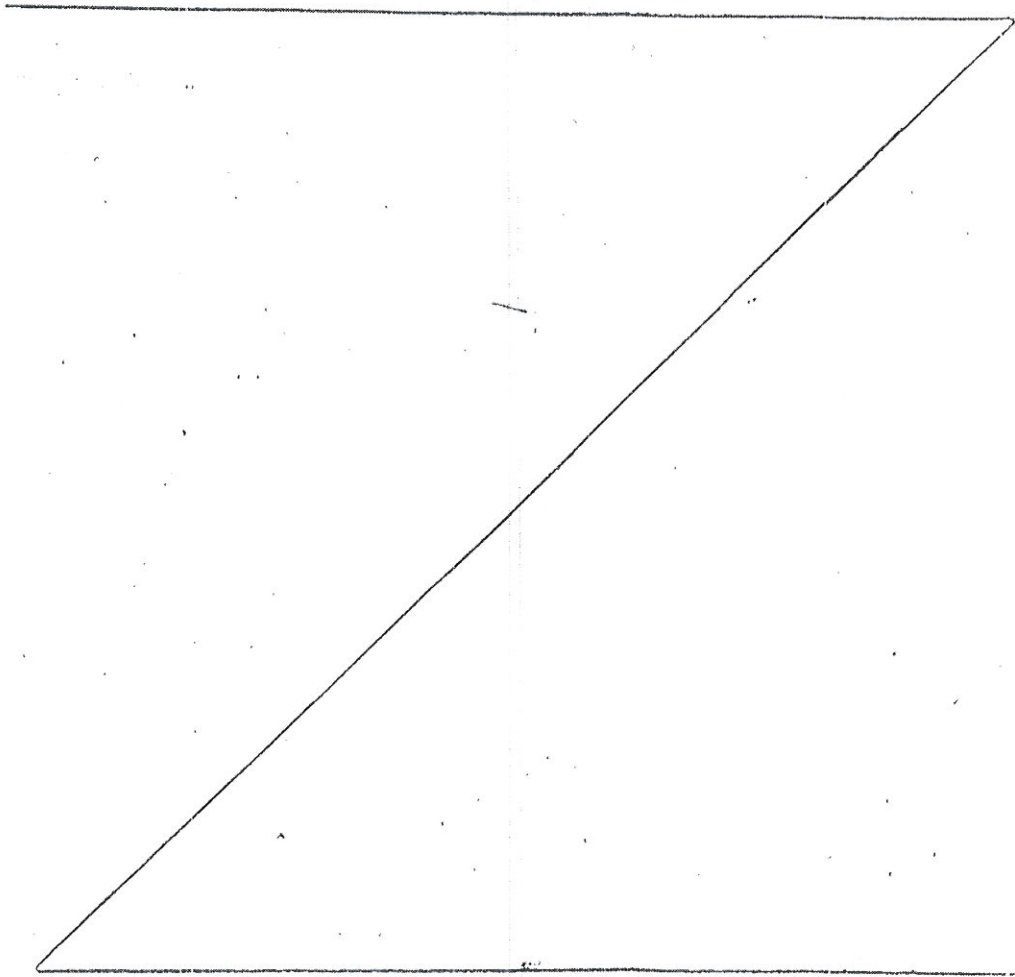
delinquent assessments shall not pass to such person's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Lots and for the improvement, operation and maintenance of the Common Area and the performance of the duties of the Association as set forth in this Declaration.

Section 3. Amount of Annual Assessments. The amount and time of payment of annual assessments shall be determined by the Board of Directors of the Association giving due consideration to the current maintenance costs and future needs of the Association; provided, that the maximum annual assessments may not be increased to exceed the amount of One Hundred Eighty Dollars (\$180.00) (computed at the rate of \$15.00 per month) per year without the approval of two-thirds (2/3) of the voting power of the Association. Provided further, however, that the maximum dollar amount of annual assessment requiring approval above shall be increased (but not decreased) in any year by the percentage by which the Cost of Living Index (meaning the Consumer Price Index, all items, United States Department of Labor) last issued prior to the date proposed for increasing such assessments has increased over the Cost of Living Index issued for March 1971.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment for all Lots in the aggregate

in excess of Two Thousand Dollars (\$2,000.00) shall be approved by the vote or written assent of a majority of the voting power of the Association (but excluding the voting power of the Declarant) at a meeting duly called for this purpose. Provided, however, that the minimum dollar amount of special assessment requiring approval above shall be increased (but not decreased) in any year by the percentage by which the Cost of Living Index (meaning the Consumer Price Index, all items, United States, published by the Bureau of Labor Statistics of the United States Department of Labor) last issued prior to the date proposed for levy of assessment has increased over the Cost of Living Index issued for December 1974.



Section 5. Reimbursement Assessments. The Association shall levy a reimbursement assessment against any Owner who fails to comply with the provisions of this Declaration, the determinations of the Committee, the Association's Articles or By-Laws, or any rule or regulation adopted by the Association, if such failure results in the expenditure of monies by the Association in carrying out its functions hereunder. Such assessment shall be for the purpose of reimbursing the Association, shall be limited to the amount so expended, and shall be due and payable to the Association when levied.

Section 6. Notice and Quorum for Meetings Called Under Sections 3 and 4. Written notice of any meeting called to approve an increase in assessment greater than 20% under Section 3 or a special assessment under Section 4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of Members or of proxies entitled to cast more than fifty percent (50%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the same quorum requirement.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, unless some other basis for collection is adopted by the Board.

Section 8. Date of Commencement of Annual Assessments:
Due Dates. The annual assessments provided for herein shall commence as to all Lots (including those Lots owned by Declarant) on the first day of the month following the recording of this Declaration with the Office of the County Recorder of Sierra County, California. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of

the Association. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each fiscal year of the Association. Written notice of the annual assessments shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Said signed certificate shall be conclusive evidence as to all third parties relying thereon to show that all assessments acknowledged therein have been paid but shall not relieve any Owner of the responsibility for assessments not in fact paid.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Each Owner of any Lot on becoming an Owner of any Lot, is and shall be deemed to covenant and agree to pay to the Association each and every of the assessments provided for in this Declaration, and agrees to the enforcement of all such assessments in the manner herein specified. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. Any assessment not paid within fifteen (15) days after the date on which it becomes due shall thereafter bear interest from the date of delinquency at the rate of ten percent (10%) per annum. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures:

(a) Enforcement by Suit. By commencement and maintenance of a suit at law against any Owner or Owners personally obligated to pay assessments for such delinquent assessments as to which they are personally obligated, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon as provided for herein, costs of collection, court costs and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

(b) Enforcement by Lien. There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments levied against any and all Owners of such Lots pursuant to this Declaration, together with interest thereon as provided for in this Declaration, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time after the occurrence of any delinquency in the payment of any such assessment, the Board or any authorized representative thereof may make a written demand for payment to the delinquent Owner. Said demand shall state the date and amount of the delinquency. Each delinquency shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien and any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. If such delinquency is not paid within ten (10) days after delivery of such demand, the Board or its duly authorized representative may thereafter elect to file and

record a claim of lien on behalf of the Association against the Lot of the defaulting Owner in the office of the County Recorder of Sierra County. Such claim of lien shall be executed and acknowledged by any officer of the Association and shall contain substantially the following information:

- (1) The name of the delinquent Owner;
- (2) The legal description of the Lot against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and estimated attorneys' fees (with any proper offset allowed);
- (4) That the claim of lien is made by the Association pursuant to this Declaration; and
- (5) That a lien is claimed against said Lot in an amount equal to the amount stated, together with all other amounts becoming due from time to time in accordance with this Declaration.

Upon such recordation of a duly executed original or copy of such a claim of lien, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied. Such a lien shall have priority over all liens or claims created subsequent to the recordation of this Declaration, except for tax liens for real property taxes on any Lot and assessments on any Lot in favor of any municipal or other governmental assessing unit and except for certain Trust Deeds as provided in Section 10 below. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by Sections 2924, 2924(b) and 2924(c) of the California Civil Code for the foreclosure of a deed of trust with power of sale,

or in any other manner permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any Title Company authorized to do business in California as Trustee for the purpose of conducting such power of sale foreclosure. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all

other Lot Owners and shall secure payment of all sums set forth in the claim of lien, together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said claim of lien. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Lot. In the event such foreclosure is by action in Court, reasonable attorneys' fees, Court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner and also hereby expressly waives the defense of the Statute of Limitations applicable to the bringing of any suit or action thereon.

Upon the timely curing of any default for which a notice of claim of lien was filed by the Board and the payment of all sums secured by the lien created by the recordation of such claim of lien, the Board shall cause an officer of the Association to file and record an appropriate release of such claim of lien in the office of the County Recorder of Sierra County, California.

No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Area, or any part thereof, or any other part of the

Properties, or abandonment of his Lot. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a claim of lien, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said claim of lien, showing the date of recordation thereof has been mailed to the Owner of the Lot which is described in such claim of lien.

Section 10. Subordination to Certain Trust Deeds.

The lien for the assessments provided for herein in connection with a given Lot shall not be subordinate to the lien of any deed of trust or mortgage, except the lien of a deed of trust or mortgage, or contract of sale given and made in good faith and for value that is of record as an encumbrance against such given Lot prior to the recordation of a claim of lien for the assessments provided for in this Declaration against such given Lot (such deed of trust or mortgage or contract of sale being hereinafter referred to as a "prior deed of trust").

The sale or transfer of any Lot shall not affect any assessment lien created pursuant to the terms of this Declaration to secure assessments becoming due whether prior to, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent assessments as provided for by Section 1 of this Article; provided, however, that the sale or transfer of any Lot pursuant to a judicial foreclosure or foreclosure by power of sale of a prior deed of trust, or proceeding in lieu of foreclosure of a prior deed of trust, shall extinguish any assessment lien which has attached and become effective with regard to the Lot being so transferred prior to the time of such sale or transfer, and shall