

The Board of Director's Interpretations of Ambiguous Stipulations in the CC&Rs

March 2014

ABBREVIATIONS:

CCR: Chevelon Canyon Ranch

CC&Rs: Declaration of Covenants, Conditions, and Restrictions

General:

- All CC&Rs' references to the "Declarant" no longer apply and can be ignored as the Declarancy expired in 2006 and the Association has been under the sole control of the Property Owners ever since
- When the term, "The Association" is used as an entity that has authority and/or can take action, "The Association" is interpreted to mean "The Board of Directors" since the Board is elected by the Property Owner's to manage and legally represent the Property Owner's Association; this does not waive any requirements to get Property Owner approvals as required for certain documents, such as Bylaws and CC&Rs. e.g., *The Association* shall have the power to adopt Bylaws... means *The Board* shall have the power to adopt Bylaws (with appropriate Property Owner approval).

CC&Rs Para 3E (page 3): ...*Each Parcel Owner shall be personally responsible for his or her share of assessments imposed by the Association. This personal **obligation for assessments shall not pass to the owner's successor in title, unless expressly assumed by such successor; however, the obligation to pay same shall be a continuing lien on the Parcel...***

Interpretation: The obligation noted applies only to unpaid balances owed to the Association at the time of sale. The new owner is obligated to pay all future assessments after the time they become owners as described in CCR&Rs 3B and 3G (*Each Owner shall be responsible to pay the regular assessment commencing on the first day of the month following the date' of recordation of the deed or purchase contract wherein the owner acquired legal, beneficial, or equitable -title to the Parcel*). A previous owner cannot continue to be legally liable for future assessments under the CC&Rs when he/she is no longer a member of the Association.

CC&Rs Para 3G (page 3): ... *The **initial regular assessment** per Parcel shall be: Parcels under 50 acres in size \$160 per year; Parcels 50 acres thru 99 acres in size \$180 per year; Parcels of 100 acres in size or larger \$200 per year....*

Interpretation: These are the assessments originally set by the developer when CCR was created in 2000. The Association (i.e., the Board) may and has periodically changed these assessment values as needed per CC&Rs 3F and elsewhere in 3G (*Regular assessments shall be set by the Association on an annual calendar year basis*).

CC&Rs Para 5A (page 5): *All Parcels shall be used for residential and recreational **hobby ranching** purposes only ... **No commercial business** shall be conducted on a Parcel. This*

