

David L. Cousineau (SBN 298801)  
[dcousineau@cappellonoel.com](mailto:dcousineau@cappellonoel.com)  
Richard Lloyd (SBN 332101)  
[rlloyd@cappellonoel.com](mailto:rlloyd@cappellonoel.com)  
**CAPPELLO & NOEL LLP**  
831 State Street  
Santa Barbara, CA 93101  
Tel (805) 564-2444  
Fax (805) 965-5950

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Attorneys for Michael R. Nicolais and Jane L. Nicolais,  
As Trustees of The Nicolais Family Trust dated 4/2/2015;  
Gregory and Karen Brody, as Trustees of The Brody  
Family Trust; and John L. Bunce and Elizabeth N. Bunce

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**COUNTY OF SANTA BARBARA**

**ANACAPA DIVISION**

MICHAEL R. NICOLAIS AND JANE L.  
NICOLAIS, TRUSTEES OF THE  
NICOLAIS FAMILY TRUST DATED  
4/2/2015, GREGORY AND KAREN  
BRODY, AS TRUSTEES OF THE BRODY  
FAMILY TRUST; and JOHN AND  
ELIZABETH BUNCE.

Plaintiffs,

v.

NATHANIEL D. CAREY, as Trustee of the  
BOZENICH FAMILY TRUST dated August  
10, 1999, as amended; HOPE RANCH  
PARK HOMES ASSOCIATION, a  
California corporation; ALL PERSONS  
UNKNOWN, CLAIMING ANY LEGAL  
OR EQUITABLE RIGHT, TITLE,  
ESTATE, LIEN, OR INTEREST IN THE  
PROPERTY DESCRIBED IN THE  
COMPLAINT ADVERSE TO THE TITLE  
OF THE HOPE RANCH PARK HOMES  
ASSOCIATION, OR ANY CLOUD ON  
THE HOPE RANCH PARK HOMES  
ASSOCIATION'S TITLE THERETO and  
DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 25CV04747

**VERIFIED COMPLAINT FOR:**

- (1) DECLARATORY RELIEF**
- (2) QUIET TITLE**
- (3) NUISANCE**
- (4) BREACH OF GOVERNING DOCUMENTS**
- (5) ENFORCEMENT OF GOVERNING DOCUMENTS**
- (6) BREACH OF FIDUCIARY DUTY**
- (7) INJUNCTIVE RELIEF**

**DEMAND FOR TRIAL BY JURY**

1 Plaintiffs allege:

2 **NATURE OF THE CASE**

3 1. This case involves a portion of the “Through the Woods Trail” (the “Trail”), part  
4 of the 22 miles of equestrian trails for which Hope Ranch Park Homes Association (“Hope  
5 Ranch” or the “Association”) is renowned. Since its inception, Hope Ranch has welcomed, and  
6 promoted itself to, the equestrian community. Reflecting this close and mutually beneficial  
7 relationship, the governing CC&Rs explicitly identify the bridle trails as one of the “amenities”  
8 included in the Ranch’s common plan. The extent and beauty of these trails are unmatched in  
9 any other common-interest development in the country. Each Plaintiff in this action in fact  
10 decided to purchase their home in Hope Ranch and spend significant money buying and  
11 improving their properties based on these unrivaled trails.

12 2. Through the Woods Trail is the primary link between the bridle trails in the  
13 northern and southern portions of Hope Ranch—extending along the eastern portion of Las  
14 Palmas Drive between approximately Via Bendita and Paloma Drive. Without the Trail,  
15 equestrians have to ride either along busy Las Palmas Drive or along the steep hillside on the  
16 western side of Las Palmas, known as “Chalk Hill Trail.” The Trail has existed and been  
17 continuously used by Hope Ranch’s Owners since at least August 1977. But that stopped  
18 abruptly on January 17, 2023, when Defendant Nathan Carey unilaterally blocked access to the  
19 portion of the Trail that crosses his property (the “Blocked Trail”). Up to this point, this case is  
20 similar to a dispute 20 years ago when a different property owner improperly blocked a different  
21 portion of the bridle trails. As described by our Court of Appeals:

22 For over 30 years, members of a homeowners association have  
23 used 22 miles of riding trails that run around and through  
24 association property. Recent purchasers of a 37-acre parcel  
25 unilaterally decide that a portion of the trails encroach upon their  
26 property and summarily block use of that portion of the trail.  
27 Relying upon various documents of title, the association seeks an  
28 injunction against the parcel owners restraining them from  
interfering with the use of the trails.<sup>1</sup>

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<sup>1</sup> *Hope Ranch Park Homes Ass'n v. Mariposa Land Development Co.* (Cal. Ct. App., Apr. 1, 2003, No. B158821) 2003 WL 1711291, at \*1

3. However, unlike in that case, the current Hope Ranch Board of Directors (“Board”) has allowed Carey to maintain his unlawful obstructions. Initially, the Board allowed Carey to maintain the barriers under the guise of a non-existent “massive mudslide,” but has allowed the barriers to remain despite there being no evidence of such a condition. Now, the Board has gone so far as to assert that it does not have a property interest in the Blocked Trail and that it does not intend to enforce the Association’s property rights in the Blocked Trail. The Board has also indicated a desire to move substantive discussions about the Blocked Trail into closed session, thereby depriving Plaintiffs and other Owners of any knowledge of what rights the Board may give up in violation of the governing CC&Rs.

4. Plaintiffs tried to work with Carey and the Board for over two years to reopen the Blocked Trail, including offering to provide funding for work that may need to be performed on the Trail. Given the Board's newly demonstrated willingness to give up important property rights that belong to the Association and that directly impact Plaintiffs and the reasons they moved into Hope Ranch, and to do so out of the public eye, Plaintiffs are forced to file this lawsuit to get a declaratory order as to the rights Hope Ranch has in the Trail, to prevent the Board from taking actions it has no authority to take, to hold Carey responsible for his unlawful interference in the community's access to the Blocked Trail, and, most fundamentally, to get the Blocked Trail reopened.

## PARTIES

5. Plaintiffs, Michael R. Nicolais and Jane L. Nicolais, Trustees of The Nicolais Family Trust dated 4/2/2015 (“Nicolais”) own the property at 1520 Roble Drive, Santa Barbara, California.

6. Plaintiffs, Gregory and Karen Brody, as Trustees of the Brody Family Trust (“Brodys”) own the property at 1555 Roble Drive, Santa Barbara, California.

7. Plaintiffs John L. Bunce and Elizabeth N. Bunce own the property at 4455 Via Bendita, Santa Barbara, California.

8. On information and belief, Defendant Nathaniel D. Carey, as Trustee of the Bozenich Family Trust, dated August 10, 1999 (“Carey”) is the owner of property located at

Assessor's Parcel Nos. 063-131-001 and 063-171-014, commonly referred to as 4330 Llano Avenue, Santa Barbara, CA (the "Bozenich Property"). The legal description of the Bozenich Property is attached as **Exhibit A**.

9. Defendant Hope Ranch Park Homes Association ("Hope Ranch" or the "Association") is a California non-profit mutual benefit corporation, formed to manage the common interest development referred to as "Hope Ranch," pursuant to the Davis-Stirling Act. The Association's principal office is located in Santa Barbara, California.

10. Plaintiffs do not know the true names and capacities of defendants (1) All Persons Unknown, Claiming Any Legal or Equitable Right, Title, Estate, Lien, or Interest in the Property Described in the Complaint Adverse to the title of the Hope Ranch Park Homes Association, or any cloud on the title of the Hope Ranch Park Homes Association's title thereto, and (2) Does 1 through 50, inclusive, and therefore sues them by fictitious names. Plaintiffs will seek leave of court to amend this Complaint and insert the true names and capacities of those defendants when they have been ascertained. Plaintiffs are informed and believe, and therefore allege, that each of the defendants sued under a fictitious name is legally responsible in some manner for the events and happenings herein alleged, and that the harm incurred by Plaintiffs, individually and as members and on behalf of the Association, as described in this Complaint, was proximately caused by those defendants.

11. At all times herein mentioned, Does 1 through 50, inclusive, were the alter egos, agents, representatives, servants, employees, employers, partners and/or joint venturers, or surety of the other defendants, and at all times were acting within the course and scope of their authority as such alter egos, agents, servants, employees, employers, partners and/or joint venturers, or surety and with the permission and consent or ratification of each of the other defendants in doing the things alleged herein.

#### **JURISDICTION AND VENUE.**

12. This Court has jurisdiction over defendants because: (i) each either resides in, is located in, administered in, and/or does business in Santa Barbara County, California; and (ii) the real property at issue is located in Santa Barbara County, California.

1           13.     Venue is proper in the Anacapa Division of this Court because (i) each defendant  
2 either resides in, is located in, administered in, and/or does business in the City of Santa Barbara,  
3 Santa Barbara County, California; and (ii) the real property at issue is located in the Anacapa  
4 Division of this Court.

5                           **HOPE RANCH IS AN EQUESTRIAN COMMUNITY**  
6                           **WHOSE GOVERNING DOCUMENTS FORBID IT FROM ABANDONING**  
7                           **ANY BRIDLE TRAIL WITHOUT A MAJORITY VOTE OF ITS MEMBERS**

8           14.     Hope Ranch is, and at all times herein mentioned was, a “planned development”  
9 subject to California’s Davis-Stirling Act. Hope Ranch adopted the Second Amended and  
10 Restated Declaration of Covenants, Conditions and Restrictions of Hope Ranch in 1995, and  
11 recorded it in the Official Record of Santa Barbara County as Instrument No. 95-045039  
12 (“CC&Rs” or “Declaration”). The Declaration has not been amended since 1995. A copy of the  
13 CC&Rs is attached hereto as **Exhibit B**. The Declaration refers to the people who own property  
14 in Hope Ranch interchangeably as “Owners” or “Members.” (See Ex. B at p.4, sections 1.21  
15 [defining Owner] and 1.17 [defining Member as “An Owner as defined in Section 1.21.”].)

16           15.     The Declaration includes foundational information about Hope Ranch and its  
17 Owners’ rights and obligations. As particularly relevant to this lawsuit, the introduction to the  
18 CC&R’s, titled “THE PLAN” describes the official “Plan” that is the *sine-qua-non* of any  
19 planned development, and makes clear that bridle trails are a fundamental part of the Plan:

20                           The common plan of ownership and use established by the  
21 Declaration is *intended to maintain the tradition of the amenities,*  
22 *rights, privileges and responsibilities that have come with*  
23 *ownership of property in Hope Ranch. The amenities include ...*  
24 *(v) more than 22 miles of bridle trails, including maintenance,*  
*signage and controlled use....*

25                           *It shall be the duty of the Owners and of the Board of Directors of*  
26 *the Association to effectuate The Plan and maintain Hope Ranch in*  
27 *accordance with the high standards expected in the development,*  
28 *use, operation and maintenance of Hope Ranch. (See id. at p.2,*  
*emphasis added.)*

1           16.     The Declaration also makes clear that the bridle trails, whether acquired as  
2 easements or otherwise, are interests in property held by Hope Ranch. Section 4.01(b) explains  
3 that the “Common Area” includes “All other property interests ... acquired by the Association,  
4 by grant, reservation, use, [or] prescription ... [which] shall be collectively referred to as  
5 ‘Common Area Easements.’” (*Id.* at p.8.) Section 4.04 further provides that “Additional  
6 Common Area [beyond that described in Section 4.02] may be acquired” by the Association.  
7 (*Id.* at p.11.) Bridle trails are explicitly included within the definition of Common Area  
8 Easements: “Common Area Easements are categorized as follows: ... (iii) Easements and rights-  
9 of-way granted to *or otherwise acquired* by the Association or reserved for its benefit *for use as*  
10 *bridle trails* are hereinafter referred to as ‘Bridle Trail Easements.’” (*Id.* at p.9, section  
11 4.01(b)(iii), emphasis added.)

12           17.     The Declaration then gives each Owner an easement over any area of the  
13 Association that falls within the definition of “Common Area,” e.g., the bridle trails. (See *id.* at  
14 p.9, section 4.02 [“Each Lot is hereby declared to have an easement over the Common Area for  
15 the benefit of the Owner, members of the Owner’s family, guests and invitees for uses and  
16 purposes set forth below.”].) The “uses and purposes” afforded to members for use of Bridle  
17 Trail Easements is limited to equestrian purposes. (*Id.* at p.10, section 4.02(c) [“Bridle Trail  
18 Easements shall be for equestrian purposes.”].)

19           18.     The Declaration requires that the Association receive approval of a majority of the  
20 Voting Power of the Association before abandoning any rights it has in Common Areas. (*Id.* at  
21 p.10, Section 4.02(e)(iv) [the Association may “abandon any easement or right of way ...  
22 following approval by a majority of the Voting Power of the Association....”].)

23           19.     When the Association or its Board of Directors fails to protect the interests of the  
24 Members, the Declaration, as well as the Davis-Stirling Act, authorize the Members to enforce  
25 their rights and seek recovery of their attorneys fees and costs. (*Id.* at p.31, section 11.03 [“The  
26 rights and obligations established or affirmed under this Declaration shall inure to the benefit of  
27 and bind all Owners ... and may be enforced by any Owner....”] and p.32, section 11.06 [“In any  
28 action whatsoever arising from rights and obligations established or affirmed under the

Governing Documents ... the prevailing party shall be entitled to such reasonable sum as the court may fix as attorneys' fees and costs.']; Civ. Code § 5975(a) ["The covenants and restrictions in the declaration shall be enforceable equitable servitudes, unless unreasonable, and shall inure to the benefit of and bind all owners of separate interests in the development. Unless the declaration states otherwise, these servitudes may be enforced by any owner of a separate interest or by the association, or by both."].)

### **THE THROUGH THE WOODS TRAIL**

20. Plaintiffs are informed and believe and based thereon allege that on or about April 21, 1977, the Association was informed that the Hope Ranch Riding and Trails Association ("Trails Association") planned to add an additional bridle trail along Las Palmas Drive—the trail that would become known as Through the Woods Trail.

21. Plaintiffs are informed and believe and based thereon allege that the Trails Association is, and at all times herein mentioned was, a domestic nonprofit association that is generally involved in organizing equestrian activities, such as trail rides, amongst members of the Association, and creating maps depicting bridle paths within Hope Ranch. Plaintiffs are informed and believe and based thereon allege that for over seventy years the Trails Association has published maps showing the location of bridle trails in Hope Ranch (the "Bridle Trail Map"), and that the Association has distributed, and continues to distribute, copies of the Bridle Trail Map to Owners—as well as potential Owners—who rely on the maps as a reliable guide to areas within Hope Ranch that are used as equestrian bridle trails.

22. Plaintiffs are informed and believe and based thereon allege that between April 1977 and July 1977 discussions took place during the Association's Board meetings regarding the Trails Association's request to create Through the Woods Trail. The Trail would cross over portions of the following properties (collectively "Properties"):

Assessor's Parcel Number	Address
063-131-01	No address; part of Bozenich Property
063-131-02	4270 Cresta Ave.
063-131-03	4260 Cresta Ave.
063-131-04	4254 Cresta Ave.

063-131-05	4242 Cresta Ave.
063-131-06	4234 Cresta Ave.
063-131-07	4230 Cresta Ave.

23. Plaintiffs are informed and believe and based thereon allege that prior to August 4, 1977, the Association and the Trails Association entered the Properties, cleaned and cleared the land, and developed the Trail. Plaintiffs are further informed and believe and based thereon allege that the Association, both individually and through the acts of Owners and their guests, used and maintained the Trail, including the Blocked Trail, for equestrian purposes continuously since at least August 4, 1977. Plaintiffs are informed and believe and based thereon allege that ownership of all the Properties changed after August 4, 1977, and that the Trail, including the Blocked Trail, was used for a period of at least 5 years without authorization of the original or succeeding owners of the Properties.

24. The use and maintenance of the Trail by the Association and individual Owners was well-known in the Hope Ranch community, and by September 1980, the Trail had been added to the Bridle Trail Map. Attached hereto as **Exhibit C** is a true and correct copy of the 1980 edition of the Bridle Trail Map. Attached hereto as **Exhibit D** is a true and correct copy of the July 2022 edition of the Bridle Trail Map which continues to show the Trail and the Blocked Trail, and on information and belief, is the most recent revision to the Bridle Trail Map. Plaintiffs are informed and believe and based thereon allege that the Trail, including the Blocked Trail, has been identified as a bridle trail on every edition of the Bridle Trail Map published since September 1980. For example, the 2019 Bridle Trail map, a true and correct copy of which is attached hereto as **Exhibit E**, includes the Trail and the Blocked Trail.

### CAREY'S OBSTRUCTION OF THE THROUGH THE WOODS BRIDLE TRAIL

25. Plaintiffs are informed and believe and based thereon allege that Gary N. Bozenich acquired title to the Bozenich Property on or about September 7, 1977, and on or about August 10, 1999 Gary N. Bozenich and his wife Vicky Bozenich transferred the Bozenich Property to the Bozenich Family Trust, dated August 10, 1999, of which defendant Carey is



1 currently the Trustee.

2       26. On or about January 17, 2023, Carey installed a chain link fence across the Trail,  
3 blocking access to the Trail. While Carey's obstructions prevented, and continue to prevent,  
4 access to the Blocked Trail, they did not, and do not, prevent Plaintiffs and other Owners from  
5 using the other portions of the Trail, which they continue to use on a regular basis. However,  
6 Carey's obstructions preclude use of the Trail for the purpose it was created—as a thoroughfare  
7 connecting the bridle paths in the northern and southern portions of Hope Ranch. Due to Carey's  
8 obstructions and refusal to allow access, Plaintiffs and other Owners can only enter the Trail  
9 from its northern edge and ride down it until they reach Carey's Property, at which point they  
10 must turn around and ride back up the trail, exiting at the same place they entered.

11       27. On information and belief, Carey knew that the Trail was actively being used and  
12 maintained by the Association and Owners for equestrian use, and knew that by preventing  
13 physical access to the Blocked Trail, equestrians would be forced to ride their horses along Las  
14 Palmas Drive, one of the main thoroughfares open to the public for vehicular travel through  
15 Hope Ranch, or the steep slope of Chalk Hill Trail.

16       28. On information and belief, Carey's installation of a chain link fence and  
17 obstruction of the Trail was a deliberate, willful, oppressive and malicious act, with the specific  
18 goal of preventing the Association and its Owners from accessing and using the Trail for  
19 equestrian purposes, knowing that the obstruction significantly increases the risk of physical and  
20 potentially fatal injury to equestrian users of the Trail.

21       29. On information and belief, Carey's obstruction of the trail was a deliberate and  
22 calculated hostile act, with the specific intent of depriving and extinguishing the Association and  
23 the Owners' historical right to enjoy use of the Trail.

24       30. Moreover, the disruption Carey has caused has prevented any regular  
25 maintenance from occurring either on the Trail or the Blocked Trail for over two years, thereby  
26 ensuring that the costs to reopen that portion of the Trail will be significant.

27 ///

28 ///

1           31.     Plaintiffs are informed and believe and thereon allege that Hope Ranch in fact  
2 recognized initially that Carey could not exclude Owners from the Blocked Trail: on or about  
3 May 20, 2024 it sent him a notice stating that if he did not remove the obstructions within 30  
4 days, he would be assessed fines. Despite this notice, however, Hope Ranch has not issued any  
5 fines or taken any other steps to remove the obstructions, and, as described in the next session,  
6 has now acquiesced to Carey’s desire to deprive Owners of access to this Common Area.

7                   **HOPE RANCH ENGAGES IN CONDUCT THAT THREATENS**  
8                   **THE CONTINUED EXISTENCE OF THE TRAIL**

9           32.     On or about September 21, 2023, the Nicolais and Brodys officially requested  
10 Alternative Dispute Resolution (“ADR”) with the Association and Carey. Another 78 Hope  
11 Ranch residents, including the Bunces, were identified as supporting the request but not  
12 officially listed as “Requesting Parties” for logistical reasons. Due to demands made by Carey,  
13 the ADR meeting did not occur until April 3, 2025, after a second request for ADR was made.

14           33.     After the mediation, Hope Ranch provided proposed easement agreements to the  
15 owners of the Properties, including Carey. Plaintiffs understand that the purpose of these  
16 easement agreements is to formalize the location of the Trail on the Properties and the parties’  
17 respective rights and obligations. To Plaintiffs knowledge, however, the easement agreements  
18 have not been finalized. Plaintiffs are informed and believe and based thereon allege that Carey  
19 and the Board are the reason these easement agreements have not been finalized and that the  
20 other current owners of the Properties do not object to continued use of the Trail as a bridle trail.  
21 Indeed, none of these owners have placed obstructions on the Trail as Carey has. For these  
22 reasons, the Plaintiffs bring this suit only against Carey and the Association.<sup>2</sup>

23           34.     While there may be benefits to having formalized easement agreements, those  
24 agreements are not necessary for Hope Ranch to acquire rights in the Trail or the Blocked  
25 Trail—which are already Common Areas—to require Carey to remove the obstructions he  
26 erected, to fine Carey, or to perform necessary maintenance on the Trail. Nonetheless, Hope  
27 Ranch has been using the lack of agreement on the proposed easement documents as an excuse

28           <sup>2</sup> The allegations in this paragraph about what happened after the mediation are based on  
information that the Association has disclosed publicly.

1 for its continued refusal, now spanning more than 30 months, to take any action. Hope Ranch  
2 has also conjured questions about how to fund ongoing maintenance of the Trail as an excuse not  
3 to take any action, even though the issues—access and maintenance—are completely unrelated.  
4 Even without funding, Hope Ranch cannot allow Carey to exclude community members from a  
5 trail owned by the community. The equestrian community has, in fact, committed to funding  
6 reasonable maintenance expenses, thereby mooted this excuse, but Hope Ranch, like Carey,  
7 keeps coming up with new excuses to allow Carey to continue blocking the Trail.

8 35. Thus, to date, Hope Ranch has refused to take any enforcement action against  
9 Carey, either internally or through litigation. The Association has also indicated does not intend  
10 to defend or otherwise take any action to assert the Association’s rights over the Trail or the  
11 Blocked Trail, or to take any action to restore the Blocked Trail for the use of the Owners.

12 36. To this end, the Association has recently engaged in a series of acts demonstrating  
13 its intent not to protect the Association’s property interests in the Trail, including the Blocked  
14 Trail. For example, on June 10, 2025, the Board considered circulating a misleading and  
15 confusing “survey” to the Members. The “survey” took the position that Hope Ranch *did not*  
16 have a property right in the Trail despite the fact that Members have used it continuously for  
17 almost 50 years, that it appears on maps distributed by the Association, and that the Association  
18 created the Trail in 1977 and has maintained it ever since. The survey also asked that  
19 Association Members answer a series of loaded questions on funding that were blatantly geared  
20 towards giving the Board an excuse to abandon the Trail without having to go through the  
21 process required to abandon any property interests owned by the Association. A true and correct  
22 copy of the “survey” is attached as **Exhibit F**. An email the Board circulated to the Members,  
23 also stated that the Association, and thus Owners, have no ability to enter the Blocked Trail  
24 without the property owner’s permission. The Board has similarly, on information and belief,  
25 refused to hire a surveyor it committed to hire to map the Trail, demonstrating a further intent not  
26 to protect the Association’s property interests in the Trail. In what is becoming a theme, the  
27 Board also decided at a March 2023 Board meeting, and at the Nicolais’ suggestion, to hire a  
28 knowledgeable land-use attorney but then never hired one, claiming it could not find a lawyer

1 who did not have conflicts, a dubious excuse given the number of land-use lawyers in California.

2 37. The Association has also engaged in openly hostile acts towards Plaintiffs and the  
3 equestrian community. At the very same June 10, 2025 meeting discussed in the prior  
4 paragraph, the Board considered a resolution drafted by a Board member with no input from  
5 counsel that sought to define a “member of the Association in Good Standing” in a way that  
6 would put anyone who engaged in the statutorily authorized Alternative Dispute Resolution  
7 process in *bad* standing. This resolution was, on information and belief, specifically directed at  
8 preventing Plaintiffs from becoming members of the Board or any other Hope Ranch committee,  
9 although its impacts went much further. It blatantly violated the requirement that a resolution be  
10 “reasonable”—i.e., “rationally related to the protection, preservation and proper operation of the  
11 purposes of the Association” and “fair and non-discriminatory.” It also violated the Davis-  
12 Stirling Act’s prohibition on excluding a member from a Director position if that person filed a  
13 claim against the Association. A true and correct copy of the resolution is attached as **Exhibit**  
14 **G**.

15 38. Advised by Plaintiffs about the significant problems with the survey and the  
16 resolution, rather than reconsider its position on the Blocked Trail and its animosity towards  
17 Plaintiffs and the equestrian community, the Board indicated its desire to move discussion of  
18 these topics to a closed group. Upon information and belief, the Board took this step so that it  
19 could take whatever actions it wanted without giving the Owners, including Plaintiffs, sufficient  
20 notice or opportunity to prevent the Board from waiving, intentionally or not, any rights it has in  
21 the Trail.

22 39. As other examples, members of the Board have expressed their disdain for the  
23 equestrian community and the bridle trails, have complained about the “costs” of maintaining the  
24 bridle trails—which cost about \$2/month per property and have nothing to do with whether  
25 Carey can exclude community Members from this Common Area—and have repeatedly acted in  
26 a hostile manner to equestrian Members at Board meetings.

27 40. On information and belief, the Association’s deliberate and/or negligent failure to  
28 act, coupled with an open disregard for the interests of its equestrian members, is a reflection of

certain Board Members’ desire to eliminate, or at the very least significantly alter, the bridle trails, and is a willful and calculated strategy to extinguish the Association’s rights in the Trail, thereby circumventing the majority member vote that would otherwise be required under the CC&Rs to release any Common Area property interest.

### **FIRST CAUSE OF ACTION**

#### **(Declaratory Relief – Plaintiffs against Hope Ranch and Carey)**

41. Plaintiffs reallege and incorporate by reference each of the foregoing allegations, as though fully incorporated herein and made a part hereof.

42. An actual controversy has arisen and now exists between Plaintiffs and Defendants regarding their respective rights and duties with respect to the Blocked Trail.

43. Plaintiffs contend that the Blocked Trail is a part of the Association’s Common Area as a “real property interest[] ... acquired by the Association, by grant, reservation, use, [or] prescription” pursuant to Section 4.01(b) of the CC&Rs or pursuant to Section 4.04 of the CC&Rs. More specifically, based on the reasons for the Trail’s creation and its use over the decades, the Trail, including the Blocked Trail, is a “Bridle Trail Easement” pursuant to Section 4.01(b)(iii).

44. Plaintiffs further contend that they have the right to use the Blocked Trail for equestrian purposes under the terms of the CC&Rs, including section 4.02 which gives them an easement over the Common Area and the right to use Bridle Trail Easements for equestrian purposes, and section 11.03 which states that the rights and obligations in the Declaration inure to the Owners’ benefit. Plaintiffs further contend that because the Blocked Trail is part of the Association’s Common Area, CC&R section 4.03(d) prevents any abandonment by the Association through non-use and/or acquiescence, and precludes any extinguishment by Carey through adverse or hostile acts.

45. In further support of their contentions, Plaintiffs state that Hope Ranch acquired a property interest in the Trail, including the Blocked Trail, through either (i) a prescriptive easement because the Trail was used openly and notoriously—including by being identified on the Bridle Trail Map for decades—for equestrian purposes for at least five years without

1 permission of the owners of the Properties; (ii) an irrevocable license because the Association  
2 and Trails Association have expended significant funds in maintaining the Trail, including the  
3 Blocked Trail; or (iii) through other provisions of the CC&Rs that provide Common Area can be  
4 created through the Association's "use" of property (e.g., CC&R sections 4.01(b) ["All other real  
5 property interests ... acquired by the Association, by ... use...."] and 4.04 ["Additional Common  
6 Area may be acquired by appropriate conveyance to, or other acquisition by, the Association and  
7 acceptance by the Board of the area as Common Area].) The foregoing list does not exclude  
8 other applicable methods through which Hope Ranch might have acquired a property interest in  
9 the Trail because, as Courts recognize, property interests do not have to fit into "traditional  
10 common law concepts" to be created and recognized. (*Golden West Baseball Co. v. City of*  
11 *Anaheim* (1994) 25 Cal.App.4th 11, 37.)

12 46. Plaintiffs allege on information and belief that Defendants, or some of them,  
13 dispute Plaintiffs' contentions or seek to restrict the rights of the Association and the Owners to  
14 use the Trail, and claim that the Blocked Trail is not Common Area or any type of real property  
15 interest owned by the Association.

16 47. Plaintiffs thus request a judicial determination of the parties' rights and duties  
17 with respect to the Blocked Trail, and a declaration that the Blocked Trail is part of the  
18 Association's Common Area, that Carey may not interfere with Plaintiffs' use thereof, and that  
19 Hope Ranch may not allow Carey to interfere with Plaintiffs' use thereof and cannot dispose of  
20 its interest in the Blocked Trail without "approval by a majority of the Voting Power of the  
21 Association."

22 48. A judicial declaration is necessary and appropriate at this time under all the  
23 circumstances so that the parties may determine their rights and duties with respect to the  
24 Blocked Trail.

25 49. Plaintiffs also seek, as ancillary relief, an injunction (1) requiring Carey to remove  
26 any obstructions placed on the Blocked Trail and to restore the Blocked Trail to the condition it  
27 was in immediately before Carey installed the obstructions; (2) enjoining Carey from doing any  
28 act in the future that interferes with the use and enjoyment of the Trail by the Association, its

1 Owners, including Plaintiffs, and their guests; (3) requiring the Association to treat the Blocked  
2 Trail as Common Area and to defend against any encroachments or obstructions; and (4)  
3 enjoining the Association from taking any actions or inaction that impairs any individual  
4 Owner's continued use and enjoyment of the Blocked Trail as a Bridle Trail Easement.

5 50. Such injunctive relief is necessary and appropriate because Plaintiffs will have no  
6 adequate remedy at law for the harm they will suffer if Carey is allowed to continue interfering  
7 with their rights to use the Blocked Trail or the Association is allowed to abandon any of its  
8 rights in the Trail. Monetary damages would be extremely difficult if not impossible to assess  
9 accurately and, in any event, would be inadequate relief for the harm done.

## 10 **SECOND CAUSE OF ACTION**

### 11 **(Quiet Title – Plaintiffs against Carey)**

12 51. Plaintiffs reallege and incorporate by reference each of the foregoing allegations,  
13 as though fully incorporated herein and made a part hereof.

14 52. Plaintiffs allege Carey owns the real property over which the Blocked Trail  
15 crosses.

16 53. Beginning in or around August 4, 1977, the Association, individually and through  
17 the Owners began using and maintaining the Blocked Trail for equestrian purposes. The  
18 Association's and Owners' use and maintenance of the Blocked Trail was continuous for over  
19 forty years. Thus, as of December 2022, the Blocked Trail had been Common Area, as defined  
20 in the Declaration, for over 40 years, over which every Owner had an easement for the benefit of  
21 the Owner, members of the Owner's family, guests and invitees to be used for equestrian  
22 purposes. Plaintiffs have authority under the CC&Rs and the Davis-Stirling Act to enforce the  
23 rights and obligations established under the CC&Rs, including Hope Ranch's property rights to  
24 the Trail and the Blocked Trail.

25 54. The Association and Owners' use and maintenance of the Blocked Trail  
26 continued for over forty years until January 2023 when Carey erected barriers preventing use of  
27 the Blocked Trail. The Blocked Trail thereby became "Common Area" as defined in the  
28 CC&Rs, either as a prescriptive easement, an irrevocable license, or otherwise. Plaintiffs have

1 an easement to use all the Common Area including the Blocked Trail. Plaintiffs also have the  
2 authority to enforce the Association’s rights to the Blocked Trail pursuant to Section 11.03 of the  
3 CC&Rs, which provides that “The rights and obligations established or affirmed under this  
4 Declaration shall inure to the benefit of and bind all Owners ... and may be enforced by any  
5 Owner.”

6 55. Carey claims that he has the right to exclude Owners from the Blocked Trail, that  
7 the Association—and thus the Owners—does not hold a real property interest in the Blocked  
8 Trail, and that the Blocked Trail is not Common Area.

9 56. Plaintiffs therefore seek a determination that: the Association has a property  
10 interest in the Blocked Trail as Common Area or otherwise and that Carey or any subsequent  
11 owner of the Bozenich Property cannot exclude Owners, members of Owners’ families, guests  
12 and invitees from using the Trail for equestrian purposes.

13 57. Plaintiffs seek to have this determination made as of a date on or after August 4,  
14 1982, which date was more than five (5) years after use of the Trail commenced.

### 15 **THIRD CAUSE OF ACTION**

#### 16 **(Nuisance – Plaintiffs against Carey)**

17 58. Plaintiffs reallege and incorporate by reference each of the foregoing allegations,  
18 as though fully incorporated herein and made a part hereof.

19 59. The Association and the Owners have a right to use the Trail for equestrian  
20 purposes, and did so continuously between August 1977 and January 2023 when Carey blocked  
21 access to a portion of the Trail.

22 60. Carey, by deliberately and maliciously installing a chain-link fence obstructed and  
23 continues to obstruct access to the Trail, and thereafter deliberately and maliciously failed to  
24 maintain, or permit access to maintain, the Blocked Trail, causing a significant degradation in the  
25 condition of the Blocked Trail. Additionally, Carey’s deliberate and malicious disruptions have  
26 prevented maintenance of other portions of the Trail, thereby precipitating their degradation.

27 61. Carey has created and permitted a condition to exist that is an obstruction to the  
28 free use of the Trail, thereby interfering with the comfortable enjoyment of the Trail by the



1 Association and its equestrian Owners and/or unlawfully obstructing the customary use of the  
2 Trail. Section 5.02 of the CC&Rs expressly forbids such conduct, stating that “No dangerous,  
3 obnoxious or offensive activities shall be carried on in or upon any portion of Hope Ranch, nor  
4 shall anything be done which may be or may become an annoyance or a public or private  
5 nuisance.”

6 62. Carey’s conduct was deliberate, malicious, unreasonable and/or in the alternative  
7 negligent.

8 63. Carey’s conduct is substantially interfering with the Owners’ use or enjoyment of  
9 the Trail in a manner that a reasonable person would find annoying or disturbing.

10 64. The Owners did not consent to Carey’s conduct.

11 65. Each current and prospective Owner has been harmed by the loss of use of the  
12 Blocked Trail, including the foreseeable and commensurate loss of use of the entirety of the Trail  
13 as an alternative to Las Palmas Drive, a valuable Common Area asset enjoyed by the Association  
14 and Owners for decades and advertised as part of Hope Ranch’s unique equestrian appeal.

15 66. As a result of Carey’s conduct, Plaintiffs have been harmed through the loss of  
16 use of the Trail. Carey’s conduct was a substantial factor in causing the harm to the Association  
17 and its Owners, and the seriousness of the harm outweighs any public benefit of Carey’s  
18 conduct. Plaintiffs are entitled to damages for their loss of full use of the Trail from the date  
19 Carey erected the obstructions until the date he removes them, an amount to be determined at  
20 trial. Based on the value of properties in Hope Ranch, the importance of the Trail to the  
21 community, how often the Trail is used by the community on a daily basis, and how disruptive  
22 Carey’s obstructions are to the use and enjoyment of the Trail and the bridle trails more  
23 generally, Plaintiffs estimate the loss of use damages will exceed \$1,000 per day, and will be  
24 well in excess of \$1.3 million if this case is decided within 12 months of the complaint being  
25 filed.

26 67. Carey engaged in the above referenced conduct deliberately, willfully,  
27 oppressively and maliciously. Carey also knew, when he took these acts, that the Trail had been  
28 a very important bridle trail for equestrians for over 40 years, that equestrians used the Trail

regularly, that the Trail was Common Area, and that his actions would significantly impact Owners' enjoyment of the Trail and would increase the risk of physical and potentially fatal injury to equestrians. Further demonstrating Carey's malicious conduct, he engaged in "self help" rather than engage in meaningful conversations about any legitimate concerns he may have had, to the extent that he had any. Plaintiffs are therefore entitled to punitive damages against Carey.

#### **FOURTH CAUSE OF ACTION**

##### **(Breach of the Governing Documents – Plaintiffs against Carey)**

68. Plaintiffs reallege and incorporate by reference each of the foregoing allegations, as though fully incorporated herein and made a part hereof.

69. Plaintiffs and Carey are parties to the Declaration, which creates rights, duties, and obligations between Plaintiffs and Carey.

70. The Trail is a valuable asset to the Association and its Owners, including Plaintiffs. Hope Ranch is one of the preeminent horse communities in the country, with perhaps the most extensive set of bridle trails in the country, and Owners, including Plaintiffs, chose to spend significant sums purchasing and improving properties in Hope Ranch based on the extensive bridle trails. The Trail is not only a portion of the bridle trails, but is a particularly bucolic portion of the trails and serves as a crucial connection between the bridle trails in the northern and southern portions of Hope Ranch.

71. As related to the Trail and the Blocked Trail, Plaintiffs did all things that were required of them to continue having the right to enjoy and use the Trail and the Blocked Trail.

72. As a Member/Owner of Hope Ranch, Carey had a duty to each and every other Member/Owner of Hope Ranch not to interfere with their enjoyment of the Common Areas; Carey knew or should have known that the Trail had been used for decades for equestrian purposes; Carey knew or should have known that the Trail was a valuable asset to the Association and the Owners, including Plaintiffs; Carey knew or should have known that many Owners purchase properties in Hope Ranch because of the extensive bridle trails; Carey knew or should have known that by blocking access to the Trail he would be interfering with other

1 Owners' enjoyment of the Trail; nonetheless, Carey blocked the trail and has maintained the  
2 obstructions despite protests from other Owners—including Plaintiffs and at least the 76 other  
3 Owners who supported Plaintiffs' ADR request—thereby breaching his duty to Plaintiffs.

4 73. As a result of Carey's acts, Plaintiffs have been harmed through the loss of use of  
5 the Trail. Careys' conduct was a substantial factor in causing this harm. Plaintiffs are entitled to  
6 damages for their loss of full use of the Trail from the date Carey erected the obstructions until  
7 the date he removes them, an amount to be determined at trial. Based on the value of properties  
8 in Hope Ranch, the importance of the Trail to the community, how often the Trail is used by the  
9 community on a daily basis, and how disruptive Carey's obstructions are to the use and  
10 enjoyment of the Trail and the bridle trails more generally, Plaintiffs estimate the loss of use  
11 damages will exceed \$1,000 per day, and will be well in excess of \$1.3 million by the time of  
12 trial.

#### 13 **FIFTH CAUSE OF ACTION**

##### 14 **(Enforcement of Governing Documents – Plaintiffs against Hope Ranch and Carey)**

15 74. Plaintiffs reallege and incorporate by reference each of the foregoing allegations,  
16 as though fully incorporated herein and made a part hereof.

17 75. Hope Ranch's "Governing Documents" are the CC&Rs, the Articles of  
18 Incorporation, the Bylaws, and the Rules and Regulations. (See Ex. B at p.4, section 1.13.)

19 76. Prior to January 2023, the Association, acting individually and through its  
20 members, acquired a property interest in the Trail, which became part of the Common Area.

21 77. On information and belief, the Association expressly accepted or, in the  
22 alternative, through its conduct of maintaining the Trail, distributing bridle trail maps, and  
23 asserting authority over the use of the Trail over a period of decades accepted the Trail as part of  
24 the Common Area pursuant to CC&R sections 4.02 and 4.04.

25 78. By installing a chain-link fence and through a continued obstruction of the  
26 Blocked Trail, Carey deliberately and maliciously deprived Owners, including Plaintiffs, of  
27 access to this Common Area over which Owners have an easement for use, and created a  
28 significantly increased risk of physical injury by forcing equestrians to use Las Palmas Drive or

1 the steep slope on Chalk Hill Trail, thereby creating a nuisance and acting in a manner contrary  
2 to CC&R section 5.02(d).

3 79. Hope Ranch has thus far refused to require Carey to remove the offending  
4 obstructions or otherwise come into compliance with the CC&Rs, and appears intent on allowing  
5 Carey to maintain the obstructions. Demonstrating their intent to acquiesce to Carey's actions,  
6 Hope Ranch never even fined Carey after threatening to do so if he did not remove the  
7 obstructions.

8 80. Pursuant to CC&R 11.03 and the Davis-Stirling Act, Civil Code section 5975,  
9 subd. (a), Plaintiffs are empowered to enforce the provisions of the CC&Rs against other owners,  
10 including Carey. Plaintiffs therefore seek an order requiring Carey to remove the obstructions  
11 and restore the Blocked Trail to its condition immediately before Carey installed the  
12 obstructions, prohibiting Carey from doing any act in the future that unreasonably interferes with  
13 the use and enjoyment of the Trail by the Association and the Owners, and requiring the  
14 Association to take all steps necessary to ensure that it protects the Association's rights to the  
15 Blocked Trail as Common Area.

## 16 **SIXTH CAUSE OF ACTION**

### 17 **(Breach of Fiduciary Duty – Plaintiffs against Hope Ranch)**

18 81. Plaintiffs reallege and incorporate by reference each of the foregoing allegations,  
19 as though fully incorporated herein and made a part hereof.

20 82. The Association owes fiduciary duties to all Owners, including the duties of care,  
21 loyalty, and good faith. The Association is also charged with the "obligations, expressed or  
22 implied, granted to it or imposed by this Declaration, the Articles, the Bylaws or applicable law,  
23 to own, operate, maintain and manage the Common Area and Common Facilities...." (Ex. B at  
24 p.6, section 3.03.) This obligation includes operating and maintaining bridle trails, and enforcing  
25 the CC&Rs. (*Id.* at p.6, section 3.03(c) and p.31, section 11.03.)

26 83. Prior to January 2023, the Association, acting individually and through its  
27 members, acquired a property interest in the Trail, which became part of the Common Area to be  
28 used and enjoyed for the benefit of the Owners. Prior to January 2023, the Association also

distributed Bridle Trail Maps that identified the Trail, including the Blocked Trail, as part of the series of bridle trails for which Hope Ranch is renowned.

84. In approximately January 2023, the Association learned that Carey had blocked a portion of the Trail. That portion of the Trail had been used by Owners, with the Association's knowledge and approval, as a bridle trail continuously since August 1977, and the Association had been maintaining that portion of the Trail continuously since August 1977.

85. The Association also knew in approximately January 2023 that the obstructions violated the CC&Rs and that other owners, including Plaintiffs, wanted the Blocked Trail reopened so that they could continue using it as it had been used for decades. Nonetheless, the Association did not require Carey to remove the obstructions and affirmatively supported his desire to maintain the obstructions. The Association now appears to be taking actions that will deprive Plaintiffs and other Owners of the use of the Trail permanently, and has taken actions to target Plaintiffs, such as by drafting a resolution that would preclude Plaintiffs from serving on the Board or a committee in violation of the Davis-Stirling Act and binding legal authority.

86. In taking the above-described actions, upon information and belief, the Association did not seek advice of knowledgeable real property counsel to ascertain what rights the Association had in the Trail, despite passing a motion in March 2023 to do so. Additionally, in taking the above actions, the Association placed Carey's interests above the interests of the overall Hope Ranch community.

87. On information and belief, by failing to take any meaningful enforcement action against Carey, and contrary to Plaintiff and other Owners' express requests, the Association has acted arbitrarily and capriciously, and thereby has deprived Plaintiff and other equestrian Owners of the ability to use the Trail.

88. On information and belief, the Association's inaction is a deliberate, calculated strategy, for the explicit purpose of illegally circumventing the CC&R's express limitations on abandoning Common Area Easements such as the Blocked Trail. In doing so, the Association has conducted itself in an overtly hostile, oppressive and biased manner towards Plaintiff and other equestrian Owners including a conscious disregard for Plaintiff's interests and the harm

caused by the Association's conduct, including pursuing multiple retaliatory actions designed to suppress Plaintiffs' ability to participate in Association business.

89. As a result of the Association's breaches of fiduciary duty, Plaintiffs have been harmed, *inter alia*, because they have not been able to use the Trail, which is a valuable community asset that serves an important function, and they have had to take action on their own to enforce the terms of the CC&Rs, which the Association is obligated to enforce.

90. The Association's conduct was a substantial factor in causing Plaintiffs' harm because the Association allowed Carey to interfere with Plaintiffs' use and enjoyment of the Trail. Plaintiffs are entitled to damages for their loss of full use of the Trail from the date Carey erected the obstructions until the date the Association ensures they are removed, an amount to be determined at trial. Based on the value of properties in Hope Ranch, the importance of the Trail to the community, how often the Trail is used by the community on a daily basis, and how disruptive Carey's obstructions are to the use and enjoyment of the Trail and the bridle trails more generally, Plaintiffs estimate the loss of use damages will exceed \$1,000 per day, and will be well in excess of \$1.3 million by the time of trial.

## **SEVENTH CAUSE OF ACTION**

### **(Injunctive Relief – Plaintiffs against Hope Ranch and Carey)**

91. Plaintiffs reallege and incorporate by reference each of the foregoing allegations, as though fully incorporated herein and made a part hereof.

92. As alleged previously, Carey has unlawfully blocked access to the Trail in violation of the CC&Rs and fundamental real property law, and Hope Ranch has acquiesced to Carey's actions and has expressed an intent to abandon some or all rights it has in the Trail. Additionally, in response to valid concerns raised by Plaintiffs over Hope Ranch's ability to abandon any rights in the Trail, Hope Ranch decided to hide its actions going forward under a shroud of secrecy.

93. Plaintiffs will have no adequate remedy at law for the harm they will suffer if Carey is allowed to maintain his obstructions or if Hope Ranch abandons any of its rights in the Trail. Money damages would be extremely difficult if not impossible to assess accurately and, in

any event, would be inadequate relief for the harm done because if the blockage continues or the Civil Code section 1008 and other signs remain for more than five (5) years, Defendants will be able to assert the Blocked Trail has been abandoned or ceased to legally exist, and Plaintiffs, Owners, the Association, and their guests have been blocked from using the Trail as it has been used consistently for almost 50 years.

94. The continued blockage of the Trail is also creating a substantially increased risk of serious injury by forcing equestrians to ride on Las Palmas Drive or the steep slope on Chalk Hill Trail, instead of the previously used and significantly safer Trail.

95. Plaintiffs are thus entitled to an order of the court permanently enjoining Carey from doing any act that interferes with the use of the Trail by Plaintiffs, the Association, Owners, and their guests.

96. Plaintiffs are also entitled to an order of the court permanently enjoining the Association from not treating the Blocked Trail as Common Area and defending against any encroachments or obstructions or from taking any actions or inaction that impairs any individual Owner's continued use and enjoyment of the Blocked Trail as a Bridle Trail Easement.

### **PRAYER**

WHEREFORE, Plaintiffs pray for judgment as follows:

#### **On all Causes of Action:**

1. For attorneys fees and costs of suit incurred in this action pursuant to CC&R section 11.06 and the Davis-Stirling Act; and

2. For such other and further relief as the Court deems just and proper.

#### **On the First Cause of Action**

1. For a judicial declaration that as of August 4, 1982, or a point thereafter, use of the Blocked Trail for equestrian purposes was a "real property interest" held by the Association as part of the Common Area under the Declaration, either as a prescriptive easement, an irrevocable license, or otherwise;

2. For a judicial declaration that the location of the Blocked Trail is set based on

1 historical usage as proven at trial;

2 3. For a judicial declaration and injunction requiring that Carey must remove any  
3 obstructions placed on the Blocked Trail and restore the Blocked Trail to the condition it was in  
4 immediately before Carey installed the obstructions and forbidding any future interference by  
5 Carey in Plaintiffs' continued use and enjoyment of the Blocked Trail; and

6 4. For a judicial declaration and injunction requiring the Association to treat the  
7 Blocked Trail as Common Area and defend against any encroachments or interferences with its  
8 continued use, and to refrain from any actions or inaction that impair any individual Owner's  
9 continued use and enjoyment of the Blocked Trail as a Bridle Trail Easement.

10  
11 **On the Second Cause of Action**

12 1. For judgment that as of August 4, 1982, or a point thereafter, use of the Blocked  
13 Trail for equestrian purposes was a "real property interest" held by the Association and part of  
14 the Common Area under the Declaration, either as a prescriptive easement, an irrevocable  
15 license, or otherwise; and

16 2. For judgment that the location of the Blocked Trail is set based on historical usage  
17 as proven at trial.

18  
19 **On the Third and Sixth Causes of Action**

20 1. Monetary damages, including but not limited to loss of use of the Trail and loss of  
21 use and enjoyment of the Trail; and

22 2. Punitive damages.

23  
24 **On the Fourth Cause of Action**

25 1. Monetary damages, including but not limited to loss of use of the Trail and loss of use  
26 and enjoyment of the Trail.

27 ///

28 ///



**On the Fifth Cause of Action**

1. For a judgment that Carey must remove any obstructions placed on the Blocked Trail and restore the Blocked Trail to the condition it was in immediately before Carey installed the obstructions; and

2. For a judgment that the Association has an affirmative obligation to treat the Blocked Trail as Common Area and defend against any encroachments, and must refrain from any actions or inaction that impair any individual Owner's right to defend the Blocked Trail, including refraining from taking any action consistent with abandonment and/or extinguishment by prescription of the Blocked Trail, without first obtaining a majority vote of the Association members.

**On the Seventh Cause of Action**

1. For a judgment ordering Carey and his successors in interest to remove their obstructions and restore the Blocked Trail to the condition it was in immediately before Carey installed the obstructions;

2. For a judgment enjoining Carey from doing any act in the future that interferes with the use and enjoyment of the Trail by the Association, its Owners, including Plaintiffs, and their guests;

3. For a judgment requiring the Association to treat the Blocked Trail as Common Area and defend against any encroachments or interferences with its continued use, and to refrain from taking any actions or inaction that impair any individual Owner's continued use and enjoyment of the Blocked Trail as a Bridle Trail Easement; and

4. For a judgment enjoining the Association from retaliating against Plaintiffs and other equestrian Owners and/or acting with a hostile, arbitrary and capricious disregard for Plaintiffs and other equestrian Owners' interests.

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Dated: July 31, 2025

CAPPELLO & NOËL LLP

By: /s/ David L. Cousineau  
David L. Cousineau  
Richard Lloyd  
Attorneys for Plaintiffs,  
Michael R. Nicolais and Jane L. Nicolais,  
As Trustees of The Nicolais Family Trust  
dated 4/2/2015; Gregory and Karen Brody,  
as Trustees of The Brody Family Trust;  
and John L. Bunce and Elizabeth N. Bunce

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**DEMAND FOR TRIAL BY JURY**

Plaintiff demands a trial by jury of all issues so triable in this action.

Dated: July 31, 2025

CAPPELLO & NOËL LLP

By: /s/ David L. Cousineau  
David L. Cousineau  
Richard Lloyd  
Attorneys for Plaintiffs,  
Michael R. Nicolais and Jane L. Nicolais,  
As Trustees of The Nicolais Family Trust  
dated 4/2/2015; Gregory and Karen Brody,  
as Trustees of The Brody Family Trust; and  
John L. Bunce and Elizabeth N. Bunce


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**VERIFICATION**

I am a party to this action, and I have read the foregoing Complaint and know its contents. The matters stated in the Complaint are true based on my own knowledge, except as to those matters stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 30, 2025, at Santa Barbara, California

  
Jane Nicolais, Trustee of The  
Nicolais Family Trust dated 4/2/2015

# **EXHIBIT A**

## EXHIBIT "A"

All that certain land situated in the State of California in the unincorporated area of the County of Santa Barbara described as follows:

### PARCEL ONE:

That certain real property in the County of Santa Barbara, State of California, described as follows:

Beginning at the most Northerly corner of that property, of Harold S. Chase on the center line of Las Palmas Drive as shown in that certain deed recorded with the Recorder of Santa Barbara County, State of California in Official Records in Book 168 at page 240; thence along the center line of said Las Palmas Drive whose right of way is 90 feet in width being 45 feet along each side of the following described center line, North  $29^{\circ}28'$  East, a distance of 35.37 feet to the most Northerly corner of another parcel of land deeded to said Chase by a deed recorded with said Recorder in Official Records in Book 411 at page 329, said last mentioned corner being the true point of beginning of the premises herein described; thence 1st, continuing along the center line of Las Palmas Drive North  $29^{\circ}28'$  East, a distance of 83.98 feet to the beginning of a tangent curve to the left; thence 2nd, along the arc of said curve whose radius is 327.72 feet and whose central angle is  $17^{\circ}30'$ , a distance of 100.00 feet to Station 91 plus 50 as shown on Map of Santa Barbara Estates, being a subdivision of a portion of Hope Ranch Park filed with said recorder in Map Book 15 at pages 51 to 56 inclusive; thence 3rd, North  $11^{\circ}58'$  East, a distance of 50.00 feet to the beginning of a tangent curve to the right; thence 4th, along the arc of said curve whose radius is 477.68 feet and whose central angle is  $12^{\circ}00'$  a distance of 100.00 feet to Station 90 plus 00 as shown on said map; thence 5th, North  $23^{\circ}58'$  East, a distance of 75.00 feet to the beginning of a tangent curve to the right; thence 6th, along the arc of said curve whose radius is 238.82 feet and whose central angle is  $24^{\circ}00'$ , a distance of 100.00 feet to station 88 plus 25 as shown on said map and a point of reverse curvature; thence 7th along the arc of said reverse curve whose radius is 318.39 feet and whose central angle is  $13^{\circ}32'$ , a distance of 75.00 feet to Station 87 plus 50 as shown on said map; thence 8th, leaving the center line of Las Palmas Drive, South  $50^{\circ}40'30''$  East, a distance of 382.26 feet; thence 9th South  $22^{\circ}14'30''$  East, a distance of 232.78 feet; thence 10th, South  $41^{\circ}35'$  East, a distance of 26.12 feet; thence 11th, along the arc of a curve to the left, tangent to a line South  $30^{\circ}33'05''$  East, whose radius is 965.00 feet and whose central angle is  $10^{\circ}33'40''$ , a distance of 177.87 feet; thence 12th, tangent to said curve South  $41^{\circ}06'45''$  East, a distance of 248.86 feet; thence 13th South  $43^{\circ}42'$  East, a distance of 131.02 feet to a point on the semi-tangent to a curve on the center line of Llano Avenue as shown on said map; thence 14th, following said semi-tangent South  $48^{\circ}24'$  West, a distance of 64.90 feet to a concrete monument set on the center line of Llano Avenue at Station 24 plus 67.87; thence 15th, leaving the center line of Llano Avenue North  $41^{\circ}36'$  West, a distance of 30.00 feet; thence 16th, along the arc of a curve concave to the West and having a long chord bearing North  $2^{\circ}21'$  East, a distance of 46.89 feet, whose radius is 32.57 feet and whose central angle is  $92^{\circ}06'$ , a distance of 52.35 feet; thence 17th, North  $43^{\circ}42'$  West, a distance of 66.80 feet; thence 18th North  $41^{\circ}06'45''$  West, a distance of 249.54 feet to the beginning of a tangent curve to the right; thence 19th, along the arc of said curve whose radius is 995.00 feet and whose central angles is  $10^{\circ}33'40''$  a distance of 183.40 feet; thence 20th, not tangent to the last mentioned curve, North  $41^{\circ}35'$  West, a distance of 21.87 feet; thence 21st,

South 32°23'20" West, a distance of 248.96 feet; thence 22nd, North 70°31'30" West, a distance of 511.77 feet to the true point of beginning.

EXCEPTING THEREFROM that portion conveyed to Peter J. Whiting, et ux., by deed recorded May 23, 1973, as instrument no. 19833, in Book 2463, page 490 of Official Records.

#### PARCEL TWO:

All that real property situated in Hope Ranch, in the County of Santa Barbara, State of California, described as follows:

Commencing at a concrete monument on the center line of Llano Avenue at Station 26 plus 42.57, as shown on Sheet #4 of that certain map of the Santa Barbara Estates Subdivision of a portion of Hope Ranch Park, recorded with the County Recorder of Santa Barbara County, State of California, in Map Book 15, at pages 51-56, inclusive, said monument also being the most southerly corner of Lot 47; as shown on said map; thence with the center line of Llano Avenue north 48°24' east a distance of 53.00 feet, to a point which is the most easterly corner of that parcel of land as shown in a deed to Harold S. Chase, recorded with said County Recorder in Book 197 of Official Records, at page 178 on September 5, 1929, said easterly corner being the point of true beginning-of the premises herein described; thence first, leaving the center line of Llano Avenue and following the Northerly boundary line of said Harold S. Chase's property North 47°36'40" west a distance of 343.91 feet to a 4"X 4" redwood post; thence, second, North 70°48'45" west a distance of 180.03 feet; thence, 3rd, leaving the northerly boundary line of said Harold S. Chase's property North 32°23'20" east a distance of 342.72 feet to a point on the southerly line of a portion of Lot 47, as shown in that deed to Edna Ewing Wiest, as shown in that deed recorded with said County Recorder in Book 126 of Official Records, at page 464; thence 4th, with the southerly line of said portion of Lot 47, South 22°14'30" East a distance of 11.73 feet to a 4" x 4" redwood post which is an angle point on the southerly line of Lot 46, as shown on said map and from which a 4" x 4" redwood post set at the most westerly corner of said portion of Lot 47 bears North 22°14'30" west a distance of 232.78 feet; thence 5th, with the southerly line of Lot 46 south 41°35' East a distance of 26.12 feet to a 4" x 4" redwood post set at the most northerly corner of another portion of Lot 47 as shown in said deed to Edna E. Wiest; thence 6th, leaving the southerly line of Lot 36 and following the southwesterly line of said second portion of Lot 47 along the arc of a curve to the left, tangent to a line South 30°33'05" east whose central angle is 10°33'40" and whose radius is 965.00 feet, a distance of 177.87 feet to a 4" X 4" redwood post; thence 7th, South 41°06'45" east a distance of 248.86 feet to a 4"X 4" redwood post; thence 8th, South 43°42' east a distance of 131.02 feet to a point on the semi-tangent to a curve on the center line of Llano Avenue; thence 9th, leaving the southwesterly line of the last mentioned portion of Lot 47 and following said semi-tangent South 48°24' west a distance of 64.80 feet to a concrete monument set on the center line of Llano Avenue at Station 24 plus 67.87; thence 10th, with the center line of Llano Avenue South 48°24', west a distance of 121.70 feet to the point of beginning, containing 2.883 acres.

# **EXHIBIT B**



**SECOND AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
HOPE RANCH**

(May 1995 Revision as Amended August 15, 1995)



Hope Ranch Park Homes Association  
Santa Barbara County, California

This Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hope Ranch and Amendments to Sections 5.02 and 5.05 thereof were duly adopted and thereafter recorded in the Official Records of Santa Barbara County, California on August 15, 1995, as Document Nos. 95-045039 and 95-45040, respectively.

If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin or ancestry, that restriction violates state and federal housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing and housing for older persons shall not be construed as restrictions based on familial status.

## TABLE OF CONTENTS

NOTE: This Table of Contents is not part of the Declaration of Covenants, Conditions & Restrictions of Hope Ranch and is supplied only as a convenience to the reader.

RECITALS.....	1
THE PLAN.....	2
ARTICLE I.....	3
<u>Definition of Terms</u> .....	3
1.01. Articles.....	3
1.02. Association.....	3
1.03. ABR.....	3
1.04. ADR.....	3
1.05. Board.....	3
1.06. Building Guidelines.....	3
1.07. Bylaws.....	3
1.08. Common Area.....	3
1.09. Common Facilities.....	3
1.10. Consumer Price Index.....	3
1.11. Declaration.....	3
1.12. Effective Date.....	3
1.13. Governing Documents.....	4
1.14. Hope Ranch.....	4
1.15. Inspectors of Election.....	4
1.16. Lot.....	4
1.17. Member.....	4
1.18. Membership.....	4
1.19. Mortgage.....	4
1.20. Mortgagee.....	4
1.21. Owner.....	4
1.22. Property.....	4
1.23. Residence.....	4
1.24. Rules;Regulations.....	5
1.25. Views.....	5
1.26. Voting Power of the Association.....	5
ARTICLE II	
<u>Property Subject to This Declaration; Annexation</u>	
2.01. Property Subject to Declaration.....	5
2.02. Annexation.....	5
ARTICLE III	
<u>The Association</u>	
3.01. Organization.....	5
3.02. Consent to Becoming Member of Association.....	6
3.03. Powers of the Association and the Board.....	6
3.04. Adoption of Rules.....	7
ARTICLE IV	
<u>Property Rights; Easements; Partition</u>	
4.01. Common Area.....	8
(a) Fee Property.....	8
(b) Easements and other Property Interests.....	8

4.02. Use of the Common Area.....	9
4.03. Association's Easements; Grants of Easements.....	10
4.04. Creation of Common Area.....	11
4.05. Partition.....	11
4.06. License.....	11
4.07. Notice of Intended Conveyances.....	11

#### ARTICLE V

##### Uses of the Property

5.01. Residential Use.....	12
5.02. Restrictions on Use.....	12
5.03. Horses.....	14
5.04. Minimum Lot Size; Division of Lots.....	15
5.05. Rentals.....	15
5.06. Vegetation.....	16
5.07. Use of Weapons.....	16
5.08. Aircraft Facilities and Use.....	16

#### ARTICLE VI

##### Assessment and Liens

6.01. Assessment Power.....	16
(a) Budget.....	16
(b) Levying of Regular and Special Assessments....	17
(c) Regular Assessment.....	17
(d) Increases in the Regular Assessment.....	17
(e) Apportionment of the Regular Assessment.....	17
(f) Levying and Payment of Regular Assessment....	18
(g) Special and Emergency Assessments.....	19
(h) Financial Emergency.....	19
(i) Apportionment of Special Assessments.....	19
(j) Levying and Payment of Special Assessments....	20
(k) Approval of the Owners.....	20
6.02. Use Fees and Transfer Fees.....	20
6.03. Other Charges.....	20
6.04. Delinquency.....	21
6.05. Lien for Delinquent Assessments, Penalties, Fees.	21
6.06. Assessments and Liens Subordinated.....	22

#### ARTICLE VII

##### Insurance

7.01. Insurance Coverage.....	22
7.02. Fidelity Bonds.....	22
7.03. Review of Insurance Coverage.....	23
7.04. Attorney-in-Fact.....	23
7.05. Application of Proceeds of Insurance.....	23
7.06. Owners' Separate Insurance.....	23

#### ARTICLE VIII

##### Special Provisions

8.01. Exceptions to Use Restrictions.....	23
8.02. Termination of Exceptions to Use Restrictions....	24
8.03. Special Provisions Relating to La Cumbre Country Club.....	25
8.04. Special Provision Relating to Laguna Blanca School.....	25

8.05. Special Provision Relating to La Cumbre Mutual	
Water Company...	25

#### ARTICLE IX

##### Architectural Control

9.01. Objectives of Architectural Control.....	26
9.02. Approval Required.....	26
9.03. Building Guidelines; Procedure; Notice.....	26
9.04. Architectural Board of Review.....	26
9.05. Liability of the Association and the ABR Regarding Review & Approval of Plans; Waiver.....	26
9.06. Standards.....	27
9.07. Setback and Location of Building.....	28
9.08. Preservation of Views; Variances.....	29
9.09. Compliance.....	29
9.10. Enforcement.....	30

#### ARTICLE X

##### Condemnation

10.01. Disposition of Awards.....	31
-----------------------------------	----

#### ARTICLE XI

##### General Provisions

11.01. Interpretation: Inconsistency.....	31
11.02. Severability.....	31
11.03. Enforcement.....	31
11.04. Binding on Successors.....	31
11.05. Dispute Resolution.....	31
11.06. Attorneys' Fees.....	32
11.07. Breaches: Effect on Liens.....	32

#### ARTICLE XII

##### Duration and Amendment

12.01. Term of Declaration.....	32
12.02. Amendments.....	32

CERTIFICATION.....	33
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**SECOND AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
HOPE RANCH**

(May 1995 Revision as Amended August 15, 1995)

**RECITALS**

This Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hope Ranch ("Restated Declaration") is made this 10th day of August, 1995, with reference to the following facts:

A. On July 9, 1924, Santa Barbara Estates Incorporated, a California corporation, executed a certain "Revised Declaration of Conditions, Covenants and Charges Affecting the Real Property Known as Hope Ranch Park", which was recorded on July 11, 1924, in Book 37, Page 205, of Official Records of Santa Barbara County, California, ("the Santa Barbara Estates Declaration").

B. On January 20, 1926, La Cumbre Estates Corporation, a California corporation, executed a certain "Revised Declaration of Conditions, Covenants and Charges Affecting the Real Property known as Hope Ranch Park", which was recorded on the same date in Book 84, Page 85, of Official Records of Santa Barbara County, California, ("the La Cumbre Estates Declaration")

C. On April 30, 1963, Hope Ranch Realty Investment Company, a California corporation, and Laguna Blanca Heights, Inc., a California corporation, executed a certain "Declaration of Conditions, Covenants and Charges Affecting Certain Real Property Included Within Hope Ranch Park", which was recorded on the same date in Book 1989, Page 1137, of Official Records of Santa Barbara County, California ("the Laguna Blanca Declaration").

D. The First Amended and Restated Declaration of Covenants, Conditions and Restrictions ("the First Restatement") encompassing all of the real property which had been subject to the separate Declarations described above was duly adopted and thereafter recorded as Instrument No. 89-069974 in the Official Records of Santa Barbara County, California, on October 18, 1989. The First Restatement recited that the purpose of the instrument was to bring all of the land which makes up Hope Ranch Park (hereinafter referred to as "Hope Ranch") under the provisions of one unified document in furtherance of a common plan of ownership, improvement and use of the properties within Hope Ranch, for the purpose of

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enhancing and perfecting the value, desirability and attractiveness of Hope Ranch.

E. Hope Ranch is a "planned development" within the meaning of the California Civil Code, subject to the provisions of Title 6, Part 4, Division Second, of the Civil Code, known as the Davis-Stirling Common Interest Development Act.

F. All real property within Hope Ranch is held and shall be conveyed, used, occupied and improved subject to the following covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of, and an integral part of, a common plan ("The Plan") hereinafter set forth for the ownership, improvement and use of the properties within Hope Ranch. The Plan is established and agreed upon for the purpose of enhancing, perfecting, preserving and protecting the value, desirability and attractiveness of Hope Ranch, including the existence therein of a private country club and an independent day school, as a residential, equestrian and beach community of great natural charm and beauty. The Plan and all the covenants, conditions, easements and restrictions shall be equitable servitudes upon and shall run with all of the properties within Hope Ranch, shall be binding upon all parties having or acquiring any right, title or interest therein, shall be for the benefit of each Owner of any portion of Hope Ranch or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the Owners thereof.

#### THE PLAN

The common plan of ownership and use established by this Declaration is intended to maintain the tradition of the amenities, rights, privileges and responsibilities that have come with ownership of property in Hope Ranch. The amenities include (i) membership in the Hope Ranch Park Homes Association, (ii) private patrol services, (iii) the private road system, including the main gates and islands, its appearance, maintenance, map boards and signage, (iv) the Hope Ranch beach, its regulated and supervised use, its adjacent picnic area and related buildings and facilities, including parking and gated access and (v) more than 22 miles of bridle trails, including maintenance, signage and controlled use and (vi) the tennis courts (in accordance with the agreement between the Association and Laguna Blanca School). The rights and privileges include the benefits of the Declaration, the use of the amenities and voting rights in the Association. The responsibilities include the exercise of voting rights, being bound by the outcome of voting and of reasonable decisions of the Association, including architectural review, lot-split and use restrictions and payment of assessments. It shall be the duty of the Owners and of the Board of Directors of the Association to effectuate The Plan and maintain Hope Ranch in accordance with the high standards expected in the development, use, operation and maintenance of Hope Ranch.

## ARTICLE I

### Definition of Terms

Unless expressly provided otherwise, the following terms shall have the following meanings:

1.01. Articles. Articles of Incorporation of the Hope Ranch Park Homes Association, as they may be amended from time to time.

1.02. Association. The Hope Ranch Park Homes Association, a California nonprofit mutual benefit corporation, sometimes referred to herein as the "Hope Ranch Association".

1.03. ABR. The Architectural Board of Review established as provided in Section 9.04.

1.04. ADR. Alternative Dispute Resolution as provided for in Section 11.05.

1.05. Board. The Board of Directors of the Association.

1.06. Building Guidelines. The rules adopted by the Board as provided in Section 9.03, as they may be amended from time to time.

1.07. Bylaws. The duly adopted Bylaws of the Association, as they may be amended from time to time.

1.08. Common Area. All real property and improvements owned by the Association in fee or under easements or agreements for the common use and enjoyment of the Owners.

1.09. Common Facilities. All improvements upon the Common Area.

1.10. Consumer Price Index. The Consumer Price Index as calculated by the Bureau of Labor Statistics for the Los Angeles, Anaheim, Riverside Metropolitan Area--All Urban Consumers, provided that if said Consumer Price Index is discontinued, this term shall mean a successor index utilized in accordance with a conversion table, if any, provided by the Bureau of Labor Statistics, or failing such a successor index, a reasonable calculation of the increase in the cost of living.

1.11. Declaration. This Restated Declaration, as it may be amended from time to time.

1.12. Effective Date. The date this Restated Declaration is recorded. The Effective Date of any amendment shall be the date such amendment is recorded. [Note: This Restated Declaration was recorded on August 15, 1995.]

- 1.13. Governing Documents. This Declaration, the Articles, Bylaws, Building Guidelines, Rules, Regulations and other documents which govern the operation of Hope Ranch.
- 1.14. Hope Ranch. All of the land originally subjected to the Santa Barbara Estates Declaration, the La Cumbre Estates Declaration or the Laguna Blanca Declaration, which Declarations are described above in Recitals A, B and C, respectively, as well as any additional land that may be annexed from time to time.
- 1.15. Inspectors of Election. A person or persons appointed in accordance with the Bylaws and the California Corporation Code to act as inspectors of election at any meeting of Members of the Association.
- 1.16. Lot. A Lot in Hope Ranch created under this Declaration and applicable law and recognized as such on the records of the Association.
- 1.17. Member. An Owner as defined in Section 1.21.
- 1.18. Membership. Membership in the Association as defined in the Bylaws. Except as otherwise provided in this Declaration or the Bylaws, one membership is appurtenant to each Lot in Hope Ranch; if more than one person or entity is an Owner of the Lot, each is a Member, but collectively, they hold only one membership; a person or entity who is an Owner of more than one Lot holds, collectively with all other Owners (if any) of each such Lot, one membership for each Lot.
- 1.19. Mortgage. A deed of trust as well as a mortgage, both of which are defined as security for the performance of an obligation.
- 1.20. Mortgagee. A beneficiary under or holder of a mortgage.
- 1.21. Owner. The holder or holders of record on the books of the Association of a fee interest in a Lot, excluding any person or entity having an interest merely as security for the performance of an obligation. If a Lot is sold under a contract of sale and the contract is recorded on the books of the Association, the purchaser rather than the fee holder will be deemed the "Owner" as used herein and in the California Civil Code from and after the date such purchaser takes possession.
- 1.22. Property. The property described in Article II
- 1.23. Residence. A private residence designed and intended for the non-commercial use of a single family, including any and all associated outbuildings and structures on a Lot.



1.24. Rules; Regulations. Operating rules adopted by the Board, as they may be amended from time to time. Rules and Regulations are kept on file at the office of the Association.

1.25. Views. Views of the ocean, Laguna Blanca Lake and natural land forms, such as neighboring hillsides, the Goleta Valley and distant mountain ranges, stretching to the natural horizon.

1.26. Voting Power of the Association. The total number of memberships eligible to vote in an election of the Association as such may exist from time to time. The total number of such memberships is equal to the total number of Lots existing at the time other than Lots held by the Association and those Lots, if any, held by Owners whose voting rights have been suspended by action of the Board taken in accordance with the provisions of this Declaration and governing law.

## ARTICLE II

### Property Subject to this Declaration; Annexation

2.01. Property Subject to Declaration. The property subject to this Declaration is all of the land originally subjected to the Santa Barbara Estates Declaration, the La Cumbre Estates Declaration or the Laguna Blanca Declaration, which Declarations are described above in Recitals A, B and C, respectively, collectively known and referred to as "Hope Ranch".

2.02. Annexation. Additional real property may be made subject to this Declaration by the written consent or vote of Owners representing at least sixty (60%) percent of the Voting Power of the Association, and upon the recording of a Notice of Annexation executed both by the owner of the land being annexed and by the President and Secretary of the Association, certifying that the described property has been duly approved for annexation by the required consent or vote, that the described property shall be subject to this Declaration in all respects and containing the Agreement of the owner of the described property to the annexation. In addition the Notice of Annexation may contain such additional provisions applicable to the annexed property as may be agreed upon by the owner thereof and the Association.

## ARTICLE III

### The Association

3.01. Organization. Hope Ranch is organized and operated as a planned development within the meaning of the California Civil Code. The Hope Ranch Association is a California nonprofit mutual benefit corporation. All Owners of Lots shall be Members of the Association which exercises the powers granted to the Association under this Declaration, the Articles, the Bylaws and applicable law.

3.02. Consent to Becoming Member of Association. Every purchaser of a Lot, by the acceptance of a deed therefor or by the execution of a contract or agreement to purchase such Lot, consents to becoming a Member of the Association, to abide by this Declaration, the Articles, the Bylaws, the Building Guidelines, the Rules and Regulations and other Governing Documents of the Association and to accept all of the benefits and obligations of membership in the Association.

3.03. Powers of the Association and the Board. The Association shall have all of the powers and obligations, expressed or implied, granted to it or imposed by this Declaration, the Articles, the Bylaws or applicable law, to own, operate, maintain and manage the Common Area and Common Facilities, to exercise architectural control over the Lots and to act in the common interest of the Owners. The activities and affairs of the Association shall be conducted and all its powers shall be exercised by or under the direction of the Board. Without limiting the foregoing, the Board shall have the power:

(a) To levy assessments, penalties and fees and to enforce their collection as provided in Article VI of this Declaration and applicable law.

(b) To authorize agents of the Association reasonably and lawfully to enter upon any Lot and improvements thereon for the purpose of construction, maintenance or making of repairs in the Common Area, to ensure compliance with the Governing Documents of the Association or for the common benefit of the Owners.

(c) To operate, maintain and manage private patrol services the private road system within Hope Ranch, the Hope Ranch beach area, related buildings and facilities, bridle trails, tennis courts (under agreement between the Association and Laguna Blanca School), and such other common services and utilities as well as provide for the security of Hope Ranch as the Board may deem necessary or desirable from time to time.

(d) To hire employees and engage independent contractors, accountants and legal counsel to perform services necessary or desirable for the operation of the Association.

(e) To maintain and improve Common Areas, Common Area Easements and public areas, including rights-of-way not otherwise maintained by a public agency, to the extent the Board deems reasonably necessary for the maintenance and appearance of Hope Ranch,

(f) Subject to the provisions of Section 3.04, to establish and enforce Rules and Regulations with respect to:

(i Architectural controls as provided in Article IX.

(ii) Use of the Association's roads, including, without limitation, imposition of speed limits, parking and other traffic controls.

(iii) Use of the tennis courts and the Hope Ranch beach area, including access, use, parking, picnic areas and related facilities and including placing limits on the number of guests of Owners and on the number of beach cards to be issued to Owners permitting access to the beach area.

(iv) Use of the bridle trails.

(v) Use of other parts of the Common Area and Common Facilities.

(vi) Restrictions on the placing of advertisements or signs along the roadway, within other parts of the Common Area and on Owners' Lots.

(vii) Such other matters relating to the interpretation or enforcement of the provisions of this Declaration as the Board may deem appropriate.

(g) To impose reasonable monetary penalties for failure to comply with the Rules or Regulations of the Association, the provisions of this Declaration or the Bylaws and suspension of voting rights and other privileges of membership while an assessment remains unpaid or during any continuing infraction of the Rules or Regulations of the Association, or the provisions of this Declaration or the Bylaws by an Owner, members of an Owner's family, guests, tenants or invitees.

(h) To exercise such other lawful authority as may be reasonably necessary or prudent in carrying out the responsibilities, express or implied, set forth in this Declaration or the Bylaws.

3.04. Adoption of Rules. The Board shall have the power to adopt, amend and repeal Rules and Regulations pursuant to authority granted in this Declaration and the Bylaws in accordance with the following procedure:

(a) Following the adoption, amendment or repeal of any rule or regulation, written notice of the action of the Board with respect thereto shall be mailed promptly to each Owner at the Owner's address appearing on the records of the Association.

(b) The adoption, amendment or repeal of the rule or regulation shall become final ninety (90) days after the mailing of the notice unless prior to the expiration of such period a petition signed by Owners of not less than ten (10%) percent of

the Lots is delivered to the Association at its office, requesting that the matter be submitted to a vote of the Owners. In that event:

(i) Within thirty (30) days after submission of such a petition, the Board shall submit the contested adoption, amendment or repeal to a vote of the Owners to be conducted by written ballot either by mail or at a duly called meeting of the Owners. If the balloting is by mail, the balloting period shall be not less than fifteen (15) nor more than thirty (30) days.

(ii) The adoption, amendment or repeal of the rule or regulation shall be deemed confirmed and shall become final unless disapproved by the vote of a majority of the Voting Power of the Association.

(c) When the adoption, amendment or repeal of a Rule or Regulation has become final, it shall have the same force and effect as if set forth in this Declaration, and the Board may, at its discretion, cause it to be recorded in Santa Barbara County. Upon final adoption of monetary penalties for violations of the Rules or Regulations of the Association, the provisions of this Declaration or the Bylaws, or changes in monetary penalties previously adopted, the Board shall promptly cause to be distributed to each Owner, by personal delivery or mail, a schedule of the monetary penalties that may be assessed for those violations.

#### ARTICLE IV

##### Property Rights; Easements; Partition

4.01. Common Area. The Common Area consists of two types of property:

(a) Fee Property. The Fee Property is that certain real property more particularly described in Exhibit "A" and commonly referred to as "Hope Ranch Beach," and also that certain real property more particularly described in a deed dated January 11, 1933, recorded May 26, 1933, in Book 286, Page 6 of Official Records of Santa Barbara County and commonly referred to as the "Map Area Parcel", south of the intersection of Las Palmas Drive and Via Laguna.

(b) Easements and other Property Interests. All other real property interests whether shown on the public record as being held by the Association or otherwise acquired by the Association, by grant, reservation, use, prescription or under the Santa Barbara Estates Declaration, the La Cumbre Estates Declaration or the Laguna Blanca Declaration, including but not limited to easements and rights conveyed to the Association by La Cumbre Estates Corporation, Santa Barbara Estates, Incorporated, and Hope

Ranch Realty Investment Company by that certain Corporation Quitclaim Deed of Easements and Related Rights dated March 1, 1962 and recorded March 1, 1962 as Instrument No. 7851 in Book 1906, Page 600 of Official Records of Santa Barbara County, shall be collectively referred to as "Common Area Easements." These Common Area Easements are categorized as follows:

(i) Easements and rights-of-way granted to or otherwise acquired by the Association or reserved for its benefit for ingress, egress and/or incidental purposes are hereinafter referred to as "Private Road Easements." Included in Private Road Easements are those areas thirty (30) feet in width, sometimes called parkways, lying adjacent to those roadways known as Las Palmas Drive, Roble Drive and Marina Drive, respectively.

(ii) Easements granted to or otherwise acquired by the Association or reserved for its benefit for purposes of private and/or public utilities and incidental purposes are hereinafter referred to as "Utility Easements."

(iii) Easements and rights-of-way granted to or otherwise acquired by the Association or reserved for its benefit for use as bridle trails are hereinafter referred to as "Bridle Trail Easements."

(iv) All other easements and rights in property not falling into one of the foregoing three categories shall be referred to collectively as "Various Easements."

4.02. Use of the Common Area. Each Lot is hereby declared to have an easement over the Common Area for the benefit of the Owner, members of the Owner's family, guests and invitees for uses and purposes set forth below. A tenant to whom a Lot has been rented in accordance with the provisions of Section 5.05 shall succeed to all of the rights of the Owner with respect to the use of the Common Area, and the Owner shall not be entitled to use any of the Association's recreational facilities, including without limitation, the Hope Ranch Beach area, during the period of the tenancy. In the instance of any conflict between the uses and purposes set forth below and a valid document creating a Common Area Easement, the document creating the Common Area Easement shall prevail.

(a) Private Road Easements shall be for ingress, egress, public and private utilities and incidental purposes and may also be used for bridle trail purposes.

(b) Utility Easements shall be for public and private utilities and incidental purposes. The Board may authorize an Owner to use a utility easement across the Lot of another Owner to

connect to a utility service where such access is reasonable and necessary when compared with other alternatives available and considering the inconvenience to the property of the burdened Owner.

(c) Bridle Trail Easements shall be for equestrian purposes

(d) The Association need occupy only such portions of the Common Area Easements as are necessary for the specified purposes as may exist from time to time, and may permit encroachments thereon, expressly or impliedly, without such encroachments or openly hostile uses effecting any claim of abandonment or extinguishment of the Association's right to use the full easement areas, or the accruing of any adverse rights.

(e) The Common Areas are subject to the following express rights and powers reserved to the Association:

(i) To limit by appropriate rules the number of guests of Owners and the use of Common Areas and Common Facilities.

(ii) To borrow in accordance with its Bylaws money for the purpose of improving the Common Area and to mortgage the fee property Common Area in connection therewith.

(iii) To grant, abandon, modify and limit the use of any Utility Easement. Each grantee of rights to use a Utility Easement shall be liable for damage to property or injury to persons arising from any use made by such grantee within the Utility Easement area to which the grantee has been granted rights.

(iv) To abandon any easement or right-of-way, other than a Utility Easement, following approval by a majority of the Voting Power of the Association, and to modify or exchange any easement or right-of-way, other than a Utility Easement, by following the procedures set forth in Section 3.04. Utility Easements are governed by subparagraph (iii), above.

(v) To license the use of the Common Area for commercial purposes pursuant to a resolution of the Board which protects the use of the Common Area for Owners and their guests and is consistent with the security of Hope Ranch.

4.03. Association's Easements; Grants of Easements. The Association shall have the right to grant nonexclusive and specific, as well as blanket, easements in, on, over, under and through the Common Area to private and public utility companies for all utility services and purposes.

4.04. Creation of Common Area. Additional Common Area may be acquired by appropriate conveyance to, or other acquisition by, the Association and acceptance by the Board of the area as Common Area.

4.05. Partition.

(a) There shall be no judicial partition of the Common Area or any part thereof except as hereinafter provided, and any person acquiring an interest in real property within Hope Ranch waives the right to partition the Common Area and waives the right to seek partition for the purpose of a sale of the Common Area or any portion thereof.

(b) The Association may bring a suit for partition of the Common Area (i) as may be provided by governing law or (ii) upon obtaining written consent of Owners representing sixty-seven (67%) percent or more of the Voting Power of the Association and also of the holders of sixty-seven (67%) percent or more of all first mortgages on Lots in Hope Ranch. For purposes of this subsection, a first mortgagee to whom written notice of a proposed suit for partition has been given shall be deemed to have given consent if within thirty (30) days after the giving of such notice the Association has not received notice of the mortgagee's opposition to the suit for partition.

(c) Nothing herein contained shall be deemed to preclude a judicial partition as between co-owners of a Lot held as community property, by tenants-in-common, joint tenants or in any other form of co-ownership.

4.06. License. The Association may license portions of the Common Area to an Owner, provided that (i) the license is revocable at will, (ii) the licensee maintains such Common Area and (iii) upon termination of the license such Common Area shall be restored by the licensee to its condition as existing upon the grant of the license.

4.07. Notice of Intended Conveyances.

(a) It shall be the duty and responsibility of an Owner who has entered into an agreement to convey a Lot to notify the Association in writing prior to the conveyance being completed:

(i) To facilitate the collection by the Association of any assessments, fees or other amounts due under the provisions of Article VI of this Declaration.

(ii) To permit the Association to review its files and to inspect the Lot to assure compliance with this Declaration, the Building Guidelines and the Rules and Regulations of the Association.

(iii) To review permits issued by the Association which must be corrected or updated prior to or in connection with the conveyance.

(b) The notice shall state the name and address of the proposed transferee. If notice required by this Section is not given, the title conveyed shall be subject to all claims and charges of the Association existing prior to the conveyance, whether or not the transferee had actual notice thereof, and the transferee shall be responsible to the Association for outstanding fees and other charges and for correcting any violations of this Declaration, the Building Guidelines, the Rules or Regulations of the Association or permits issued by the Association.

(c) Upon request of the Owner, the Association shall make available copies of the documents required under Section 1368 of the California Civil Code to be provided to a prospective purchaser. The Association may charge a fee for this service not to exceed its reasonable cost to prepare and reproduce the requested items.

## ARTICLE V

### Uses of the Property

5.01. Residential Use. Except as provided in Article VIII of this Declaration, Hope Ranch is exclusively restricted to residential uses permitted under Section 5.02(a). No business or industry shall be conducted on a Lot except as expressly permitted hereunder. No buildings or structures other than those approved pursuant to this Declaration shall be erected or placed, temporarily or permanently, upon any Lot.

5.02. Restrictions on Use. All Property within Hope Ranch shall be subject to the following restrictions:

(a) Each Lot may be used as a residence by a single family only. No Lot shall be used for boarding house purposes, for any type of residential care facility or for multiple residential purposes of any nature.

(b) No animals shall be bred or kept on any portion of Hope Ranch except the following:

(i) Horses as provided in Section 5.03.

(ii) Dogs, cats, other household pets or domestic animals which are not kept, bred or maintained for any commercial purpose. Permitted animals shall not be allowed to become a nuisance to other Owners or residents of Hope Ranch. All Owners agree on behalf of themselves and all other persons who might derive any rights within Hope Ranch through them that if any animal



in their care, custody or control is declared to be a nuisance by the Board, such nuisance shall be promptly remedied by the owner or tenant or, failing this, the nuisance may be remedied by the Association.

(iii) In its sole discretion, any applicable zoning ordinances imposed by governmental agencies with respect to maintaining animals on Lots may be enforced by the Board.

(c) No advertising signs or billboards shall be erected in Hope Ranch except as permitted pursuant to uniform rules adopted by the Board.

(d) No dangerous, obnoxious or offensive activities shall be carried on in or upon any portion of Hope Ranch, nor shall anything be done which may be or may become an annoyance or a public or private nuisance or which increases the rate of insurance for any structure on any adjacent Lot or any Common Facility.

(e) No clothesline, clothes rack, storage pile, manure pile or other object, nor outdoor storage of anything that is not appurtenant to the normal residential use of a Lot, shall be maintained on any Lot if it is visible from the Common Area or any adjacent Lot, except with written consent of the Board.

(f) No dead vegetation or litter which the Association deems to present a fire hazard and no storage pile of combustible materials, except building materials for a project in progress and cordwood, shall be maintained on any Lot.

(g) All streets, driveways, sidewalks, entries and passages in the Common Area shall remain unobstructed and open for emergency vehicles at all times.

(h) No boat, trailer or recreational or unsightly vehicle may be kept or stored on any Lot if it is visible from any other Lot or from the Common Area, except as may be provided pursuant to uniform rules adopted by the Board.

(i) Use of a portion of a residence as a business office or for other business purposes may be allowed to the extent permissible under local government zoning regulations in existence on the Effective Date of this Restated Declaration and on such terms and conditions as the Board may determine under rules or regulations adopted in accordance with the procedures set forth in Section 3.04, provided such use does not constitute an activity proscribed by subsection (d) of this Section 5.02 and does not cause excessive traffic on the private roads.

(j) No sales, such as garage sales or any similar activity, whereby the public is invited to a Lot to purchase or exchange

household goods or other personal property, shall be conducted on any Lot, except as authorized by the Board under rules or regulations adopted in accordance with the procedures set forth in Section 3.04. [Added by amendment August 15, 1995.]

(k) Oil, gas and any form of mineral exploration or production activities are prohibited within Hope Ranch.

(l) In addition to enforcing the covenants, conditions and restrictions set forth in this Declaration and the other Governing Documents of the Association, the Board may enforce, or call for the enforcement of, local government ordinances and regulations, including zoning ordinances in effect and applicable to Hope Ranch. It is the specific intention of this document and a part of the overall plan of Hope Ranch, that building, zoning and residential activities may be circumscribed by the Association more rigorously than would be permitted under ordinances of any governmental agency with jurisdiction over the property within Hope Ranch.

#### 5.03. Horses.

(a) Horses may be kept within Hope Ranch provided that all applicable local government zoning regulations and Association rules and regulations are observed. The Board may enforce applicable zoning regulations with respect to maintenance of horses in Hope Ranch and Association rules and regulations concerning their keeping.

(b) With respect to the real property initially subject to the Laguna Blanca Declaration, horses may be kept upon Lots within that area only with the express consent of the Board. The Association may approve the keeping of horses on those Lots so long as the horses are owned by the Owners of the Lots upon which they are kept and are used only by such Owners and their guests. Any request for permission under this Section by the Owner of a Lot in the Laguna Blanca Portion of Hope Ranch shall contain such plans and specifications as may be required by the Board for the outbuildings and structures to be used for such animals, together with a plot plan showing the location of each such outbuilding and structure and a statement of the number of horses which will be kept upon the Lot. In deciding upon such application, the Board shall consider the size of the Lot involved, the proximity of the proposed outbuildings and structures to neighboring residences and the number of horses intended to be kept upon the Lot. The Board may condition its approval on such reasonable terms as the Board in its sole discretion deems necessary for the health, safety and welfare of other persons or properties which may be affected by the keeping of horses upon the Lot.

5.04. Minimum Lot Size; Division of Lots.

(a) All Lots shall conform in size to the requirements of the local government zoning regulations and, in addition, to the following minimum sizes:

(i) No Lot shall be less than one and one-half (1.5) acres in size.

(ii) Those Lots located within that portion of Hope Ranch designated as 2.5 acres on the map of Hope Ranch constituting Exhibit "B" to this Declaration shall be at least two and one-half (2.5) acres in size.

(iii) Those Lots located within that portion of Hope Ranch designated as 3.5 acres on the map of Hope Ranch constituting Exhibit "B" to this Declaration shall be at least three and one-half (3.5) acres in size.

(b) Any Lot existing on the Association's records on the Effective Date of this Restated Declaration which is less than the minimum size required by paragraphs (i), (ii) and (iii) of subsection (a) shall be considered legally nonconforming under this Declaration and a valid Lot provided it conforms to the requirements of, or is also considered legally non-conforming under, applicable local government zoning ordinances.

(c) No Lot may be divided or subdivided except with the express consent of the Board. The Board may condition approval of any Lot division on reasonable setbacks, building restrictions, building envelope areas, topographical features, view corridors, the preservation of specimen trees and such other matters as are appropriate to ensure a harmonious development of the divided lands and are otherwise consistent with The Plan and the provisions of Article IX. The Board shall not approve a division of a Lot, even if all of the resulting Lots would meet the minimum acreage requirements of this Section, if the topography and/or easement areas affecting any of the resulting Lots would make any of them difficult to develop or if the division and later development would be likely to alter the character of the area, would require excessive grading or retaining walls to develop, would congest the private roads or would make fire protection or emergency ingress or egress unreasonably difficult.

5.05. Rentals. No Lot may be rented for other than single-family residential purposes and no rental of any Lot or residence shall be of less than the entire Lot and all improvements thereon, except as authorized by the Board under rules or regulations adopted in accordance with the procedures set forth in Section 3.04. Every rental agreement shall provide that the rental is subject in all respects to the provisions of this Declaration and other Governing Documents of the Association and shall further provide that any failure of the tenant to comply with the terms of

this Declaration or other Governing Documents shall be a default under the rental agreement. All rental agreements shall be in writing; each shall be for a term of not less than thirty (30) days, and a copy thereof shall be submitted to the Association at its office within three (3) business days following its execution and, in any event, prior to occupancy by the tenant. No tenant shall be entitled to use any portion of the Common Areas or Common Facilities until a copy of the rental agreement has been delivered to the Association. [As amended August 15, 1995.]

5.06. Vegetation. The growth of trees and other plantings may over time adversely affect views from residences on adjacent Lots. The height of trees and other plantings shall be subject to regulation by the Association to protect views from adjoining lands and in turn to provide proper protection and privacy for the property of the owner of the subject trees or other plantings.

5.07. Use of Weapons. The possession and use of firearms and other weapons are subject to all applicable federal, state and local laws and regulations. In addition, the discharge of any firearm, in Hope Ranch, except in self-defense or in a fully enclosed and sound-proofed indoor gallery, is prohibited.

5.08. Aircraft Facilities and Use. No landing facilities for aircraft shall be permitted, and the landing of any type of aircraft shall not be permitted without written permission of the Board.

## ARTICLE VI

### Assessments and Liens

6.01. Assessment Power. Each Lot within Hope Ranch, except properties owned by the Association and except as provided in Article VIII, shall be subject to regular and special assessments and to liens to secure the payment of such assessments. Every Owner of an interest in a Lot shall be jointly and severally responsible for all assessments, penalties, fees and charges levied against, incurred by or attributed to the Lot and the membership appurtenant to the Lot in which such Owner has an interest. The Board shall have sole authority, subject to the limitations imposed by the provisions of this Declaration, the Bylaws and applicable law, to fix the amounts of all assessments, penalties and fees provided for in this Declaration and other Governing Documents, including the amounts of interest, collection costs and other charges for late payment or nonpayment thereof.

(a) Budget. The pro-forma operating budget prepared by the Board for each year as provided in Section 7.05(a) of the Bylaws shall be based on the Board's best judgment of estimated revenues and expenses and the reserves reasonably necessary and proper to carry out the Board's responsibilities for the management, operation, maintenance, care and improvement of Hope Ranch in

accordance with The Plan, and additions, if any, to be made to the contingency reserve to be used only for unpredictable expenses and unanticipated obligations and not as a general reserve for foreseeable or recurring expenditures.

(b) Levying of Regular and Special Assessments. The Association shall levy regular and special assessments determined by the Board to be sufficient to perform the Association's obligations under this Declaration and applicable law, including the establishment and maintenance of reserve funds, provided, however, that no levy shall be made at any time under the Contingency Reserve Fund category of the regular assessment in an amount which, when added to the Contingency Reserve, would cause that reserve to exceed One Hundred Fifty Thousand Dollars (\$150,000) adjusted by the percentage increase in the Consumer Price Index as compared to December 1988.

(c) Regular Assessment. The regular assessment shall be divided into the following categories:

(i) General Fund

Patrol Fund

(iii) Major Road Repair Fund

(iv) Contingency Reserve

Based on the pro-forma budget referred to in subsection (a) above, the Board shall determine the amount required to fund each of the above categories of the regular assessment.

(d) Increases in the Regular Assessment. The regular assessment may be increased by the Board based upon the pro-forma budget. If the Board determines that the regular assessment for any year will exceed the regular assessment for the immediately preceding year by more than the percentage increase in the Consumer Price Index for the twelve (12) month period preceding the date on which such determination is made, notice and an explanation of the proposed increase shall be mailed to each Owner. Unless otherwise provided by law, the Board shall not impose a regular assessment that is more than 20% greater than the regular assessment for the preceding year without the approval of Owners, constituting a quorum, casting a majority of the votes by official ballot as provided in subsection (k) of this Section 6.01. For this purpose "quorum" means Owners holding more than fifty (50%) percent of the acreage and the Lots, respectively, subject to assessment in Hope Ranch, and "a majority of the votes" means a majority of the votes cast both by acreage, calculated to the nearest thousandth (0.001) of an acre, and also by Lots.

(e) Apportionment of the Regular Assessment. The regular assessment shall be apportioned among Owners as follows:

(i) The General Fund category of the regular assessment shall be divided between Lot and acreage components in such manner that the ratio between the two components shall remain unchanged from year to year Following such division,

(A) The Lot component shall be apportioned by allocating to each Lot improved with a residence an amount equal to the quotient of the total Lot component divided by the sum of the number of Lots improved with a residence plus one-half the number of Lots not improved with a residence and by allocating to each Lot not improved with a residence one-half of such amount.

(B) The acreage component shall be apportioned among all Owners on a per-acre basis in accordance with the acreage owned by each, except as provided in Section 8.03(a) with respect to certain property owned by La Cumbre Country Club.

(ii) The Patrol Fund category of the regular assessment shall be divided between Lot and acreage components in such manner that the ratio between the two components shall remain unchanged from year to year Following such division,

(A) The Lot component shall be apportioned among all Lots equally.

(B) The acreage component shall be apportioned among all Owners on a per-acre basis in accordance with the acreage owned by each.

(iii) The Major Road Repair Fund category of the regular assessment shall be apportioned among all Lots equally.

(iv) The Contingency Reserve Fund category of the regular assessment shall be apportioned among all Owners on a per-acre basis in accordance with the acreage owned by each.

(v) For apportionment purposes the existence of a Lot and a Residence shall be as shown on the Association's records as at the first of December of the year preceding that for which the assessment is levied.

(f) Levying and Payment of the Regular Assessment. Unless otherwise determined by the Board, the regular assessment shall be levied annually and shall be due and payable on the first day of January of each year.

(g) Special and Emergency Assessments. Special assessments may be imposed by the Board in amounts necessary for the purpose or purposes for which they are levied, provided, however, that except in an emergency situation or as otherwise provided by applicable law, the Board shall not impose a special assessment that exceeds five (5%) percent of the budgeted gross expenses of the Association for the year without approval of Owners, constituting a quorum, casting a majority of the votes by official ballot as provided in subsection (k) of this Section 6.01. For this purpose "quorum" means Owners holding more than fifty (50%) percent of the acreage and Lots, respectively, subject to assessment in Hope Ranch, and "a majority of the votes" means a majority of the votes cast counted both by acreage, calculated to the nearest thousandth (0.001) of an acre, and also by Lots.

(h) Financial Emergency. A financial emergency is deemed to exist when any of the following is not fundable from any of the reserve funds, including the Contingency Fund:

(i) An extraordinary expense required by order of a court.

(ii) An extraordinary expense necessary to repair or maintain the Common Area, or any part of Hope Ranch for which the Association is responsible, where a threat to personal safety on the property is discovered.

(iii) An extraordinary expense necessary to repair or maintain the Common Area, or any part of Hope Ranch for which the Association is responsible, that could not have been foreseen by the Board in preparing and distributing the pro-forma operating budget referred to in subsection (a) above. However, prior to the imposition or collection of an assessment under this paragraph, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved, why the expense was not or could not have been reasonably foreseen in the budgeting process and why reserve funds cannot be used to meet the expense, and the resolution shall be distributed to the Owners with the notice of assessment.

(i) Apportionment of Special Assessments. The Board shall determine what portions, if any, of each special assessment are properly allocable to the patrol and road maintenance, respectively, and those portions of the assessment shall be apportioned among Owners in the same manner as the Patrol Fund and Major Road Repair Fund categories of the regular assessment; the remainder of the special assessment shall be apportioned among Owners in the same manner as the General Fund category of the regular assessment for the year.

(j) Levying and Payment of Special Assessments. Unless otherwise determined by the Board, special assessments shall be due and payable thirty (30) days after notice thereof is given to the Owners.

(k) Approval of the Owners. On the question of an increase in the regular assessment or the imposition of a special assessment that requires approval of the Owners under subsections (d) or (g) of this Section 6.01, the Board shall fix a record date in accordance with law and cause an official ballot to be prepared and mailed to Owners who are entitled to vote on the question. There shall be included with the ballot a self-addressed envelope, an unmarked ballot envelope, instructions for marking, enclosing and returning the ballot and the date and time the ballot must be received at the office of the Association to be valid, which shall be not less than fifteen (15) days and, unless extended by the Board, not more than thirty (30) days after the date of mailing of the ballots.

6.02. Use Fees and Transfer Fees. The Board may impose fees for the following services:

(a) Annual use fees payable on due dates determined by the Board for use of Common Area facilities operated by the Association.

(b) Transfer fees payable by the transferee at the time of conveyance of any Lot in Hope Ranch for the purpose of defraying the Association's costs in processing of the transfer; provided, however, no such charge may be made to the holder of a first deed of trust who acquires title to any Lot by foreclosure, trustee's sale or a deed in lieu of foreclosure, except that the Association may recover its costs, if any, for services and for providing documents to a new Owner who has obtained title by way of foreclosure.

(c) Use fees payable at the time of use by third parties and by Owners for other uses of the Common Area or for other services provided by the Association or its personnel.

6.03. Other Charges.

(a) If the Common Area or any Common Facility is damaged or destroyed through the act or omission of an Owner or of a guest, family member, tenant, agent or employee of an Owner, whether or not such act or omission is negligent or otherwise culpable, and such Owner fails within a reasonable time to rebuild, repair or replace the damaged property to as good condition as formerly existed, the Association may charge such Owner an amount equal to the Association's cost of rebuilding, repairing or replacing the damaged or destroyed property.



(b) Monetary penalties imposed by the Board shall become due and payable as provided in rules and regulations adopted by the Board pursuant to Section 3.04.

6.04. Delinquency. All assessments, penalties and fees shall be delinquent thirty (30) days after they become due, and if an assessment, penalty or fee is delinquent, the Association may recover all of the following:

(a) Reasonable costs incurred in collecting the delinquent assessment, penalty or fee, including reasonable attorneys' fees.

(b) Late charges to be determined by the Board from time to time, which shall be not less than the following, provided that in no event shall such charges exceed the maximum rate permitted by law:

(i) Five (5%) percent of the delinquent amount or ten (\$10) dollars, whichever is greater, on accounts delinquent for thirty (30) days or less, and

(ii) Ten (10%) percent of the delinquent amount or ten (\$10) dollars, whichever is greater, on accounts delinquent for more than thirty (30) days.

(c) Interest on all sums due, including the delinquent assessment, penalty or fee, reasonable costs of collection and late charges, commencing thirty (30) days after the assessment, penalty or fee became due, at an annual percentage rate to be determined by the Board from time to time, but not to exceed the maximum rate permitted by law.

6.05. Lien For Delinquent Assessments, Penalties and Fees.

(a) Assessments, penalties and fees and any late charges, reasonable costs of collection and interest shall be a debt of the Owner at the time the assessment or other sums are levied and shall be a lien upon the Lot of the Owner from and after the date upon which the sum becomes delinquent.

(b) When any assessment, penalty or fee has become delinquent, the Association may perfect its lien by causing to be recorded with the Santa Barbara County Recorder a Notice of Delinquency against the Lot or Lots of the indebted Owner. The perfected lien may be enforced by the Association as provided by law. Upon payment of the total amount of all delinquencies, including the sums specified in the Notice of Delinquency, all subsequently delinquent assessments, penalties, fees, late charges, reasonable costs of collection and interest, the Association shall cause to be recorded a notice of satisfaction and release of the lien.

6.06. Assessments and Liens Subordinated. Each and every lien and assessment, together with any costs, late charges or interest established, reserved or imposed under this Declaration, shall be subordinated to any valid bona fide first mortgage or first trust deed (and the lien and/or title thereto) which has been or may hereafter be given in good faith and for value on any Lot; provided, however, that any subsequent Owner of any such Lot shall be bound by the restrictions, conditions, covenants, reservations, liens and charges set out in this Declaration and any amendments hereto, whether obtained by foreclosure or trust deed sale or otherwise, and whether or not stated in the deed or other conveyance, but not including, however, any lien, assessment fee or charge arising prior to any sale under any such Mortgage or Deed of Trust.

## ARTICLE VII

### Insurance

7.01. Insurance Coverage. The Association shall obtain and maintain in force policies of insurance, which may be combined into one or more policies at the Board's discretion, issued by a company or companies authorized to engage in the insurance business in the State of California and covering the following risks:

(a) Comprehensive general liability and property damage in such amounts as the Board may determine from time to time, but not less than three million (\$3,000,000) dollars, covering all claims for death, personal injury and property damage arising out of a single occurrence. The policy or policies shall name as insured all the Owners and the Association. The policy or policies shall insure against any liability incidental to the ownership and/or use of the Common Area and may include contractual exposures of the Association and/or the Board.

(b) Fire and other hazards as may be determined by the Board. The policy or policies shall name the Association as the insured, shall permit a cash settlement covering specified value in the event of destruction and inability to rebuild and shall include a waiver by the carrier or carriers of subrogation rights as to Owners.

(c) Workers' compensation to the extent required by law.

(d) Directors' and officers' liability, loss assessment and other risks, all as the Board may determine to be necessary or desirable in the interest of the Association and the Owners.

7.02. Fidelity Bonds. The Association may purchase fidelity bonds in respect of any of its employees or contractors as the Board may determine to be necessary or desirable in the interest of the Association.

7.03. Review of Insurance Coverage. At least once every three years the Board shall cause a study to be made of the insurance requirements of the Association and the coverage then in effect and shall implement such changes, if any, as the Board deems appropriate as a result of that review.

7.04. Attorney-in Fact. The Association is hereby irrevocably appointed Attorney-in-Fact for all Owners to negotiate and settle loss claims on Association policies in which the Association and the Owners are named as insured parties.

7.05. Application of Proceeds of Insurance. Insurance proceeds received in satisfaction of claims of loss for damage or destruction of Common Area or Common Facilities shall be used to repair or replace the damaged or destroyed property, provided that in the event the insurance proceeds exceed the cost of repair or replacement or the Board decides not to repair or replace all or any part of the damaged or destroyed property, all of the insurance proceeds not used to repair or replace the damaged or destroyed property shall be added to the Association's General Fund or reserves as the Board may determine.

7.06. Owners' Separate Insurance. It is the responsibility of each Owner to carry such personal liability insurance and other insurance coverage in respect of the Owner's separate property as the Owner sees fit. The Association shall not be responsible for providing either liability insurance against losses arising from perils in an Owner's residence or Lot or any other insurance coverage in respect of an Owner's personal property, residence, Lot or other separate property.

## ARTICLE VIII

### Special Provisions

8.01. Exceptions to Use Restrictions. As exceptions to the restriction of Hope Ranch to residential use as provided in Section 5.01, this Declaration recognizes and authorizes the continuance of the following uses in connection with the properties described below, subject to the condition that the Owners of these properties shall not be entitled to use any of the Association's recreational facilities, including without limitation, the Hope Ranch Beach area, so long as these exceptions remain in effect on their respective properties:

(a) La Cumbre Country Club. The real property now standing in the name of La Cumbre Country Club may be used as a private nonprofit golf and country club and club house with normal accessory activities and incidental facilities carried on in the operation of such a private nonprofit golf and country club, including, but not limited to, a professional shop, a restaurant facility, a bar for serving alcoholic beverages and a shop for the

sale and rental of merchandise and equipment. The real property now standing in the name of La Cumbre Country Club is described in Exhibit C to this Declaration.

(b) Laguna Blanca School. The real property now standing in the name of Laguna Blanca School may be used for private school purposes for grades kindergarten through twelfth grade, with accessory buildings and playgrounds and athletic and recreational fields and facilities consistent with its educational program. The grounds and facilities of the School may be permitted to be used for such other community needs, including recreational purposes, as may be agreed to by the School and the Board. The real property now standing in the name of Laguna Blanca School is described in Exhibit C to this Declaration.

(c) LaCumbre Mutual Water Company. The real property now standing, or hereafter acquired, in the name of the La Cumbre Mutual Water Company may be used for water distribution and delivery systems and other related purposes. The real property now standing in the name of LaCumbre Mutual Water Company is described in Exhibit C to this Declaration.

(d) Riding Club. The real property described in that certain Indenture dated June 22, 1948, and recorded in Book 793, Page 51, of Official Records, may be used for a stable, riding club and equestrian center in accordance with the terms of that Indenture.

(e) Association property may be used for recreational, residential, maintenance, administrative and office purposes and shall be considered Common Area. The real property now standing in the name of the Association is described in Exhibit C to this Declaration:

8.02. Termination of Exceptions to Use Restrictions. Except for property owned by the Association or La Cumbre Mutual Water Company, if any of the exceptions to the restrictions regarding residential use set forth in Section 8.01 is terminated for a period of one (1) year or more, the property shall thereupon revert to residential use for a single family as with all other real property in Hope Ranch. The foregoing exceptions with respect to real property owned by the La Cumbre Mutual Water Company shall be applicable so long as any parcel of such real property is held in the name of La Cumbre Mutual Water Company. If any of the real property described above in this Section is subject to covenants or restrictions regarding the termination of the authorized exceptions to residential use restrictions, those restrictions shall prevail over any conflicting provisions set forth above regarding the termination of the authorized use.

8.03. Special Provisions Relating to La Cumbre Country Club.

(a) La Cumbre Country Club shall be subject to assessment as provided in Article VI except that in computing the acreage component of the General Fund category of the regular assessment under Section 6.01(e)(B), the land which is referred to in the Laguna Blanca Declaration and hereinafter as "Subparcel B" shall be assessed at a per-acre rate which shall be one-fifth (1/5) the rate that would be applicable in the absence of this provision. This provision shall remain in effect only so long as said Subparcel B is used as a private non-profit golf course and so long as the grounds thereof are maintained to a standard reasonably acceptable to the Association. At such time as any portion of said Subparcel B is used for any purpose other than as a private non-profit golf course in connection with La Cumbre Country Club, or its successor, or is not maintained to a standard reasonably acceptable to the Association, said Subparcel B shall be subject to assessment as provided in Section 6.01(e)(B) without reference to this provision.

(b) The provisions of Section 9.02 shall be inapplicable to the maintenance of the golf course grounds and landscaping by the La Cumbre Country Club, except that this exclusion shall not be deemed to modify or alter the rights of the Association under that certain Permit Agreement dated March 5, 1957, or the Agreement dated May 16, 1978, relative to the Association's rights regarding landscaping along the periphery of the Club's property or the maintenance of the water level in the Laguna Blanca lake.

8.04. Special Provision Relating to Laguna Blanca School. For all purposes under this Declaration and the Bylaws, the real property now standing in the name of by Laguna Blanca School shall be considered as follows:

(a) The tennis court parcel shall not be considered a Lot.

(b) The polo field parcel shall be considered two (2) unimproved Lots.

(c) The main school grounds shall be considered one (1) Lot improved with a residence.

8.05. Special Provision Relating to La Cumbre Mutual Water Company. For all purposes under this Declaration, the real property now standing, or hereafter acquired, in the name of the La Cumbre Mutual Water Company shall be considered one (1) Lot improved with a residence.

## ARTICLE IX

### Architectural Control

9.01. Objectives of Architectural Control. The Owner of a Lot has the right to develop it for residential uses. The provisions of this Article IX relate to the responsible exercise of that right in relation to The Plan and the rights of other Owners.

9.02. Approval Required. The Owner of a Lot must obtain approval from the Association: (i) to excavate or fill land, (ii) to change surface water drainage, (iii) to remove or kill any living tree having a trunk measuring more than 37.75 inches in circumference when measured six (6) feet from ground level or (iv) to construct, erect or alter any type of structure. As provided in Section 8.03, the provisions of this Section 9.02 shall not be applicable to the maintenance of the golf course grounds and landscaping by La Cumbre Country Club.

9.03. Building Guidelines; Procedure; Notice. The Board may from time to time adopt, amend or repeal rules which interpret and implement the provisions of this Article IX. Those rules shall be known as the Hope Ranch "Building Guidelines". A copy of the Building Guidelines as they are adopted, amended or repealed and certified by the Secretary of the Board, may be recorded and thereafter shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of conflict between provisions of the Building Guidelines and this Declaration, the provisions of this Declaration shall prevail.

9.04. Architectural Board of Review. The Board shall appoint an Architectural Board of Review (ABR) to consist of not less than four (4) persons who need not be residents of Hope Ranch or Members of the Association. The ABR shall advise the Board on matters of architectural regulation within Hope Ranch. Three (3) members of the ABR shall be licensed architects and one (1) shall be a licensed landscape architect. The Board may also retain the services of additional consultants. The ABR shall review all plans for projects requiring approval under this Article and shall make appropriate recommendations to the Board with respect to such plans. The procedures for processing plans with the ABR and the Board shall be set forth in the Building Guidelines. The Association may impose and collect reasonable fees in connection with the processing of applications for architectural permits.

9.05. Liability of the Association and the ABR Regarding Review and Approval of Plans; Waiver. The approval, whether express or implied, by the ABR and the Board of any plans, drawings or specifications for any work done or proposed to be done in connection with any matter requiring the approval of the ABR or the Board under this Declaration shall not be deemed to be or constitute a waiver of any right to withhold approval as to any other plan, drawing, specification or matter later submitted for

approval. The failure or inability of the ABR or Board to act with respect to any project or application shall not be deemed to be or constitute a waiver of any right to review any subsequent building plans within the purview of the ABR or Board. Neither the Board members, the Association, its employees, the ABR, nor any member thereof shall be liable to any Owner for any damage, loss or prejudice suffered or claimed for the following, provided however, that the Board member, employee or ABR has acted in good faith:

(a) The approval or disapproval of plans, drawings and specifications, whether or not defective.

(b) The construction or performance of any work, whether or not to pursuant to approved plans, drawings or specifications.

(c) The development or manner of development of any property within Hope Ranch.

(d) The alteration or impairment of any view-sheds claimed by the Owners of other real property within Hope Ranch as a result of any building permit having been issued by the ABR or Board.

9.06. Standards. The following standards and restrictions are applicable to the construction, reconstruction, alteration, refinishing and maintenance of any and all improvements from time to time existing on any Lot:

(a) All residences shall have a floor area (exclusive of porches, patios, basements and garages) of not less than two thousand (2,000) square feet. The maximum aggregate floor area of all buildings on any Lot of five (5) acres or less shall not exceed two thousand (2,000) square feet, plus six (6%) percent of the total area of the Lot; the maximum aggregate floor area of all buildings on any Lot of more than five (5) acres shall not exceed fifteen thousand (15,000) square feet, plus ten (10%) percent of the total area of the Lot in excess of five (5) acres. Residences existing on the date of recording of this Declaration that have a floor area of less than two thousand (2,000) square feet or more than the specified maximum floor area for the Lot, but that were legally built at the time of their construction, shall be deemed legally non-conforming.

(b) The maximum allowable height for any structure on any Lot shall be thirty (30') feet, except in the Laguna Blanca Heights Portion and the Coastal Zone as defined by Santa Barbara County where the maximum height shall be twenty-five (25') feet, measured from the mean finished grade occupied by the structure to the highest point of the roof.

(c) No accessory building of any kind shall be erected, maintained or occupied on any Lot prior to the erection of the principal residence, except that a normal Contractor's office,

portable toilets and tool sheds are permitted, subject to the rules and restrictions contained in the Building Guidelines.

(d) The pitch of all roofs and the type and color of roofing materials shall be subject to approval by the Board.

(e) No building shall be occupied while in the course of its original construction or until it is certified to be in compliance with all applicable requirements, conditions and restrictions imposed by governmental agencies with jurisdiction over such construction, as well as those imposed in accordance with this Declaration and the Building Guidelines.

(f) The construction of any building or structure shall be completed with reasonable diligence.

(g) Any extension of electric power, telephone or television cable lines from the point of delivery on the boundary line of any Lot to the residence and accessory buildings thereon shall be in conduit underground, except as otherwise specifically approved by written consent of the Board.

(h) No walls, solid fences or other constructed screens shall be constructed within any Private Road Easement, except as may be approved by the Board.

(i) All improvements of every kind shall be constructed in accordance with applicable zoning, building codes and other ordinances of Santa Barbara County or other governmental authorities with jurisdiction over such construction.

(j) All structures, outbuildings and other improvements shall be maintained in a high state of repair and appearance. The Building Guidelines and other rules of the Association may set forth minimum standards for maintenance of the properties within Hope Ranch.

(k) No landscaping shall be undertaken except in accordance with the standards set forth in this Declaration, the Building Guidelines and other rules of the Association.

9.07. Setback and Location of Building. All residences, accessory buildings and other structures shall have setbacks from the center line of street and property lines of the Lot on which they are located as follows:

(a) Seventy-five (75') feet from the center line of any road easement having an overall width of eighty (80') feet or less.

(b) One hundred twenty-five (125') feet from the center line of any road easement having an overall width of more than eighty (80') feet.



(c) Twenty-five (25') feet from all other property lines.

Structures existing on the date of recording of this Declaration that do not conform to the foregoing set-back requirements, but that were legally built at the time of their construction, shall be deemed legally non-conforming.

9.08. Preservation of Views; Variances.

(a) All applications for approval shall be made in compliance with the standards and the setback requirements set forth in Sections 9.06 and 9.07 and with the Building Guidelines. In addition, the Owners expressly confirm their intention, wherever practicable, to preserve views from Lots in Hope Ranch and to protect privacy. The location, height and design of structures and plantings shall not unreasonably impair views from other Lots or intrude on the privacy of residents of other Lots. In considering applications for approval of plans, the Board may require that modifications be made, wherever practicable, to minimize impacts on views from other Lots and to protect the privacy of other residents. In recognition of the difficulties inherent in seeking to achieve a reasonable and proper balance between the rights and interests of respective Owners in regard to views, the Board shall have broad discretion in resolving disputes between Owners concerning views, including the power of the Board to require mandatory arbitration under the alternative dispute resolution provisions of Section 11.05.

(b) In individual cases, where shown to be justified by topography, location of property lines, location of trees or other circumstances, the Board may, on such terms and conditions as may be appropriate, allow reasonable variances from the requirements of this Article IX and the Building Guidelines, provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of Hope Ranch. The granting of a variance shall not waive the right of the Board to require strict adherence to this Article IX and the Building Guidelines in other cases.

9.09. Compliance.

(a) All improvements for which a permit has been issued shall be carried out with due diligence and in any event shall be completed in accordance with such permit within twenty-four (24) months after its issuance unless extended by the Board upon written request of the Owner.

(b) An authorized agent of the Board may reasonably enter any Lot for the purpose of inspection during the period of construction of an improvement for which a permit has been issued or when the Board has reason to believe a violation of this Declaration or the Building Guidelines may be occurring on the Lot.

(c) The Board may establish procedures by which any Owner may request a recordable certificate that the Owner's Lot is in substantial compliance with the Governing Documents of the Association as of the time of the request. The Board may also establish procedures for recording a Notice of Noncompliance in the event that any Lot is determined to be in violation of any provision of this Article or the Building Guidelines.

9.10. Enforcement. Upon notice of any violation of the architectural regulation provisions of this Declaration, the Building Guidelines or the conditions of any permit or approval given by the Board, the Board shall seek to enforce the provisions of this Declaration, the Building Guidelines and applicable conditions of approval. In addition to the judicial remedies which may be available to it and other enforcement powers provided for in this Declaration, the Board may utilize one or more of the following remedies:

(a) The Association may give written notice of any violation found to exist upon a Lot to the Owner of the Lot and may require that the Owner cause the violation to be corrected within a reasonable period of time.

(b) The Board may exercise self-help to cause the affected Lot to be restored to its state existing immediately prior to such violation, and the Owner of such Lot shall reimburse the Association for all costs and expenses incurred by it in exercising its rights and obligations under this Section.

(c) If an Owner fails to bring a Lot into compliance with the Governing Documents within a reasonable time after written notice has been given by the Association, the Board may impose monetary penalties on such conditions and in such amounts as the Board may determine from time to time. No such monetary penalties shall be imposed except in accordance with the procedures set forth in this Declaration and applicable laws.

(d) The Board or its duly designated representative may suspend the permit under which the work is allegedly being done and require the Owner to stop all work until the violation has been corrected.

Failure of the Board to require an Owner to correct a violation of this Declaration or the Building Guidelines upon first discovery by the Board shall not be deemed a waiver of the Board's rights to require correction of such violation at a later time or to make correction of all existing violations a precondition to the Board's approval of other matters requested by an Owner.

## ARTICLE X

### Condemnation

10.01. Disposition of Awards. In the event of a taking by condemnation of a portion or all of the Common Area or Common Facilities, any award made to the Association shall be added to the Association's General Fund or reserves as the Board may determine.

## ARTICLE XI

### General Provisions

11.01. Interpretation: Inconsistency. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of Hope Ranch for the mutual benefit of all Owners. If the provisions of this Declaration conflict with any provisions of the Articles or Bylaws, the provisions of this Declaration shall control.

11.02. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any of the provisions shall not affect the validity of the remaining provisions.

11.03. Enforcement. The rights and obligations established or affirmed under this Declaration shall inure to the benefit of and bind all Owners of separate interests in the Property described in Article II and may be enforced by any Owner or by the Association, or by both, except that only the Association may enforce obligations to pay assessments existing by virtue of Article VI and to conform to the Building Guidelines provided for in Section 9.03.

11.04. Binding on Successors. This Declaration shall be binding upon, and shall inure to the benefit of, the successors and assignees of the Owners.

11.05. Dispute Resolution. In the event of a dispute between Owners, or between any Owner or Owners and the Association, concerning the interpretation or enforcement of any provision of the Governing Documents, the matter shall be submitted to Alternative Dispute Resolution (ADR) in accordance with Association Rules and applicable law prior to judicial action being commenced, except in the following cases:

(a) Collection of assessments, fees or charges as described in this Declaration may be enforced by the Association.

(b) Disciplinary actions may be taken by the Board in accordance with the provisions of this Declaration or other Governing Documents.

(c) Temporary orders may be sought where reasonably necessary to prevent acts which might render ADR ineffectual.

11.06. Attorneys' Fees. In any action whatsoever arising from rights and obligations established or affirmed under the Governing Documents, including but not limited to actions for damages resulting from a breach of this Declaration or actions for specific enforcement hereof or in connection with any property interest of the Association, the prevailing party shall be entitled to such reasonable sum as the court may fix as attorneys' fees and costs.

11.07. Breaches: Effect on liens. A breach of any of the provisions of this Declaration shall not render invalid or otherwise affect the lien of any mortgage or deed of trust.

## ARTICLE XII

### Duration and Amendment

12.01. Term of Declaration. The term of this Declaration shall be twenty (20) years from the Effective Date and, unless sooner terminated as provided herein, shall be automatically extended thereafter for successive periods of twenty (20) years each.

12.02. Amendments. This Declaration may be amended in whole or in part or terminated only in accordance with the following procedures:

(a) Proposals to amend or terminate this Declaration may originate (i) within the Board or (ii) in a written petition to the Board signed by Owners representing ten (10%) percent or more of the Voting Power of the Association. In either case, if approved by a majority of the authorized number of directors, the proposed amendment or termination shall be submitted to a vote of the Owners as hereinafter provided.

(b) If a majority of the authorized number of directors shall fail to approve a proposal to amend or terminate made by a valid petition, the proposal shall be placed on the agenda for action at the annual meeting held in the year following the year in which the petition was submitted or at a duly called special meeting of the Members; if approved by the Members at the annual meeting or special meeting, the proposed amendment or termination shall be submitted to a vote of the Owners as hereinafter provided.

(c) Following approval by the Board or as provided in subsection (b) by the Members at an annual or special meeting, the

proposed amendment or termination shall be submitted to a vote of the Owners. The Board shall fix a record date in accordance with law and cause an official ballot to be prepared and mailed to Owners entitled to vote on the matter. The ballot shall specify a choice between approval or disapproval and be accompanied by a copy of the full text of the proposed amendment or termination. The ballot may also be accompanied by a statement or statements by members of the Board of their positions, pro and con, regarding the proposed amendment or termination. There shall be included with the ballot a self-addressed envelope, an unmarked ballot envelope, instructions for marking and returning the ballot and the date and time the ballot must be received at the office of the Association to be valid, which shall be not less than fifteen (15) days and, unless extended by the Board, not more than sixty (60) days after the date of mailing of the ballots.

(d) The affirmative vote of

(i) Owners of not less than sixty (60%) percent of the acreage in Hope Ranch, calculated to the nearest thousandth (0.001) of an acre, and also of

(ii) Owners of not less than sixty (60%) percent of the Lots in Hope Ranch,

shall be required for approval of any amendment or termination of this Declaration.

(e) Promptly following approval by the Owners of any amendment to, or termination of, this Declaration, that fact shall be certified in a writing executed and acknowledged by the Secretary of the Association and recorded in Santa Barbara County. Upon the recording of that writing the approved amendment or termination shall be effective.

#### CERTIFICATION

The undersigned, Dean D. Ramstad and Laurel G. Phillips, hereby certify that:

(a) They are, respectively, the President and the Secretary of Hope Ranch Park Homes Association, a California nonprofit mutual benefit corporation;

(b) Under Article XII of the First Amended and Restated Declaration of Covenants, Conditions and Restrictions Hope Ranch Park recorded as Instrument No. 89-069974 in the Official Records of Santa Barbara County, California, on October 18, 1989, said Declaration may be amended or terminated by the vote of owners owning not less than sixty (60%) percent of the acres in Hope Ranch Park and owners owning not less than sixty (60%) percent of the lots in Hope Ranch Park;

(c) The foregoing Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hope Ranch has been presented to all of the members of the Association and an affirmative vote approving the adoption of said Amended and Restated Declaration has been cast by members of the Association entitled to vote who are owners owning in excess of sixty (60%) percent of the lots in Hope Ranch Park and in excess of sixty (60%) percent of the acreage in Hope Ranch Park;

(d) In accordance with its terms, said Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hope Ranch shall be effective for all purposes on the date of its recording in the Official Records of the County of Santa Barbara, California.

WHEREFORE, the undersigned have executed this Certificate on behalf of Hope Ranch Park Homes Association.

/s/ Dean D. Ramstad  
Dean D. Ramstad, President

/s/ Laurel G. Phillips  
Laurel G. Phillips, Secretary

STATE OF CALIFORNIA

( SS.

COUNTY OF SANTA BARBARA

On this 10th day of August, 1995, before me, Margaret L. Braniff, Notary Public, personally appeared Dean D. Ramstad and Laurel G. Phillips, personally known to me to be the persons whose names are subscribed to the within instrument, and they acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the entity upon behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

/s/ Margaret L. Braniff  
Notary Public

LEGAL DESCRIPTION

Assessor's Parcel No. 63-160-01

Commencing at the Southwest corner of Lot 121 as shown on Sheet No. 4 of that certain Map of Santa Barbara Estates Subdivision of Hope Ranch Park recorded with the County Recorder of Santa Barbara County on June 20th, 1924, in Map Book 15, at pages 51 to 56, inclusive.

Thence N. 67°09' W. a distance of 476.41 feet to the point of true beginning of the premises herein described;

Thence N. 43°08' E. a distance of 124.47 feet to a point;

Thence N. 81°51' E. a distance of 145.06 feet to a point;

Thence N. 30°54' E. a distance of 146.43 feet to a point;

Thence N. 74°23' E. a distance of 78.55 feet to a point;

Thence N. 23°36' E. a distance of 40.70 feet to a point;

Thence N. 42°16' E. a distance of 84.80 feet to a point;

Thence S. 67°13'15" W. a distance of 201.22 feet to a 2" brass cap monument;

Thence S. 54°33' W. a distance of 426.16 feet to a point;

Thence S. 67°01' E. a distance of 86.50 feet to a point of beginning, containing 0.897 acres.

Assessor's Parcel No. 63-160-04

Commencing at the southwest corner of that property now or formerly owned by Santa Barbara Estates Incorporated on the mean high tide line of the Pacific Ocean as shown in that deed recorded with the County Recorder of Santa Barbara County, State of California, in Book 218 of Official Records, at page 577, said corner being the point of true beginning of the premises herein described: thence first, leaving said tide line and following the west line of said Santa Barbara Estate property N. 26°12' E. a distance of 123.63 feet to the southwest corner of Lot 121 as shown on Sheet No. 4 of 6 sheets of that Map of a Subdivision of Santa Barbara Estates portion of Hope Ranch Park, filed with said Recorder in Book 15, Records of Survey, at page 54, and which is also the southeast corner of the "Picnic Grounds" being 5.62 acres as shown in that Indenture filed with said Recorder in Book 81 of Official Records, at page 315; thence second, leaving the west line of said Santa Barbara Estates property and following the south line of said "Picnic Grounds" N. 67°09' W. a distance of 476.41 feet to the southeast corner of a second parcel of property now or formerly owned by said Santa Barbara Estates Incorporated, as shown in that deed recorded with said Recorder in Book 266 of Official Records, at page 169; thence third, leaving the south line of said "Picnic Grounds" and following the south line of said second parcel of Santa Barbara Estates property N. 67°01' W. a distance of 86.50 feet to a point on the southeast line of that property now or formerly owned by Rayben Limited as shown in that deed recorded with said Recorder in Book 172 of Official Records at page 348; thence fourth leaving the boundary line of said Santa Barbara Estates property and following said Rayben Limited's boundary line S. 54°33' W. a distance of 138.72 feet to the southwest corner of said Rayben Limited's property and at a point on said mean high tide line; thence fifth, leaving said Rayben Limited's boundary line and following said tide line S. 67°48'30" E. a distance of 164.35 feet; thence sixth S. 66°13'30" E. a distance of 464.20 feet to the point of beginning, containing 1.628 acres. A map substantiating this description is filed with said Recorder in Book 21 of Records of Surveys at page 10.

EXHIBIT "A"

ASSESSOR'S PARCEL # 63-160-05

Commencing at the southwest corner of Lot 121 as shown on Sheet No. 4 of 6 sheets of that Map of Santa Barbara Estates Subdivision of a portion of Hope Ranch Park recorded with the County Recorder of Santa Barbara County on June 20th, 1924, in Map Book 15 at pages 51 to 56, inclusive, from which the southeast corner of said Lot 121 bears S. 63°46' E. a distance of 719.67 feet, the southwest corner of said Lot 121 is the point of true beginning;

Thence 1st, leaving the south line of said Lot 121, S. 26°12' W. a distance of 123.63 feet to a point on the mean high tide line of the Pacific Ocean as of June 17th, 1930; as shown on that map filed with said Recorder in Map Book 21 at page 10;

Thence 2nd, with said mean high tide line S. 66°13'05" E. a distance of 234.29 feet;

Thence 3rd, leaving said mean high tide line N. 26°12' E. a distance of 157.19 feet;

Thence 4th N. 64°04'40" W. a distance of 254.95 feet to a point on the westerly line of said Lot 121;

Thence along the westerly line of said Lot 121 South a distance of 47.05 feet to the point of beginning, containing 0.879 acres.

ASSESSOR'S PARCEL # 63-160-06

PARCEL ONE: All that certain lot or parcel of land situate in the County of Santa Barbara, State of California, and bounded and particularly described as follows, to-wit:

Commencing at the point of intersection of the east line of that property now or formerly owned by Santa Barbara Estates Incorporated, as shown in that deed recorded with the County Recorder of Santa Barbara County, State of California, in Book 218, of Official Records at Page 577, with the south line of Lot 121, as shown on sheet 4 of 6 sheets of that map of Santa Barbara Estates, being a subdivision of a portion of Hope Ranch Park, filed with said Recorder in Map Book 15 at Pages 51 to 56, inclusive, being South 63°48' East a distance of 250.00 feet along said south line from the southwest corner of said Lot 121, said point being the point of true beginning of the premises herein described; thence first, leaving said south line and following said east line South 26°12' West a distance of 113.07 feet to the southeast corner of said corporation's property and a point on the mean high tide line of the Pacific Ocean as on June 17, 1930, as shown on that map filed with said Recorder in Map Book 21, at Page 10; thence second, with said mean high tide line and continuing with the boundary line of said corporation's property North 66°13'05" West a distance of 15.83 feet; thence third, leaving said mean high tide line and said boundary line, North 26°12' East a distance of 157.19 feet to a point on the north line of said corporation's property; thence fourth, with the boundary line of said corporation's property South 64°04'40" East a distance of 15.82 feet to the northeast corner of said corporation's property; thence fifth, South 26°12' West a distance of 43.53 feet to the point of beginning.





EXHIBIT "B"

SECOND AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
HOPE RANCH

The real property referred to in Section 8.01(a) of the Declaration that is now standing in the name of La Cumbre Golf and Country Club is described in the following documents:

(i) Grant Deed dated January 28, 1976, and recorded in Book 2602, Page 50, of Official Records.

(ii) Corporation Grant Deed dated June 30, 1976, and recorded in Book 2313, Page 824 of Official Records.

The real property referred to in Section 8.01(b) of the Declaration that is now standing in the name of Laguna Blanca School is described in the following documents:

(i) Indenture dated February 25, 1941, and recorded in Book 547, Page 443, of Official Records (main school grounds/portion).

(ii) Indenture dated May 29, 1945, and recorded in Book 653, Page 119, of Official Records (main school grounds/portion).

(iii) Grant Deed dated February 1, 1956, and recorded in Book 1364, Page 627, of Official Records (main school grounds/portion).

(iv) Grant Deed dated July 25, 1957, and recorded in Book 1462, Page 368, of Official Records (main school grounds/portion).

(v) Indenture dated May 29, 1945, and recorded in Book 639, Page 495, of Official Records (main school grounds/portion).

(vi) Indenture dated December 27, 1947, and recorded in Book 753, Page 472, of Official Records (main school grounds/portion).

(vii) Deed dated December 13, 1968, and recorded in Book 2256, Page 827 of Official Records (north end of polo field).

(viii) Grant Deed dated November 1, 1957, and recorded in Book 1484, Page 16, of Official Records (middle section of polo field).

(ix) Indenture dated March 15, 1942, and recorded in Book 547, Page 440, of Official Records (south end of polo field).

(x) Grant Deed dated January 11, 1954, and recorded in Book 1210, Page 99, of Official Records (middle section of polo field).

(xi) Grant Deed dated December 22, 1965, and recorded in Book 2133, Page 1111, of Official Records (center section of polo field).

(xii) Grant Deed dated December 26, 1952, and recorded in Book 1119, Page 127, of Official Records (tennis court).

The real property referred to in Section 8.01(c) of the Declaration that is now standing in the name of LaCumbre Mutual Water Company is described in the following documents:

(i) Grant Deed dated April 30, 1930, and recorded in Book 212, Page 359, of Official Records (maintenance yard at Las Palmas and Paloma and portion of reservoir #2 on Cresta Avenue).

(ii) Indenture dated November 4, 1940, and recorded in Book 549, Page 482, of Official Records (portion of reservoir #2 on Cresta Avenue).

(iii) Indenture dated November 4, 1940, and recorded in Book 545, Page 115, of Official Records (office and reservoir property on Via Tranquila, pump substation on Via Hierba, pump substation on Via Alegre, future reservoir site on Via Cayente).

(iv) Indenture dated December 4, 1950, and recorded in Book 957, Page 209, of Official Records (reservoir #3 on Cuervo North and small parcel on Las Palmas).

The real property referred to in Section 8.01(e) of the Declaration that is now standing in the name of Association is described in the following documents:

(i) Conveyance dated January 11, 1933, and recorded in Book 286, Page 6, of Official Records (map area parcel).

(ii) Indenture dated August 10, 1942, and recorded in Book 558, Page 164, of Official Records (beach parcel, main part).

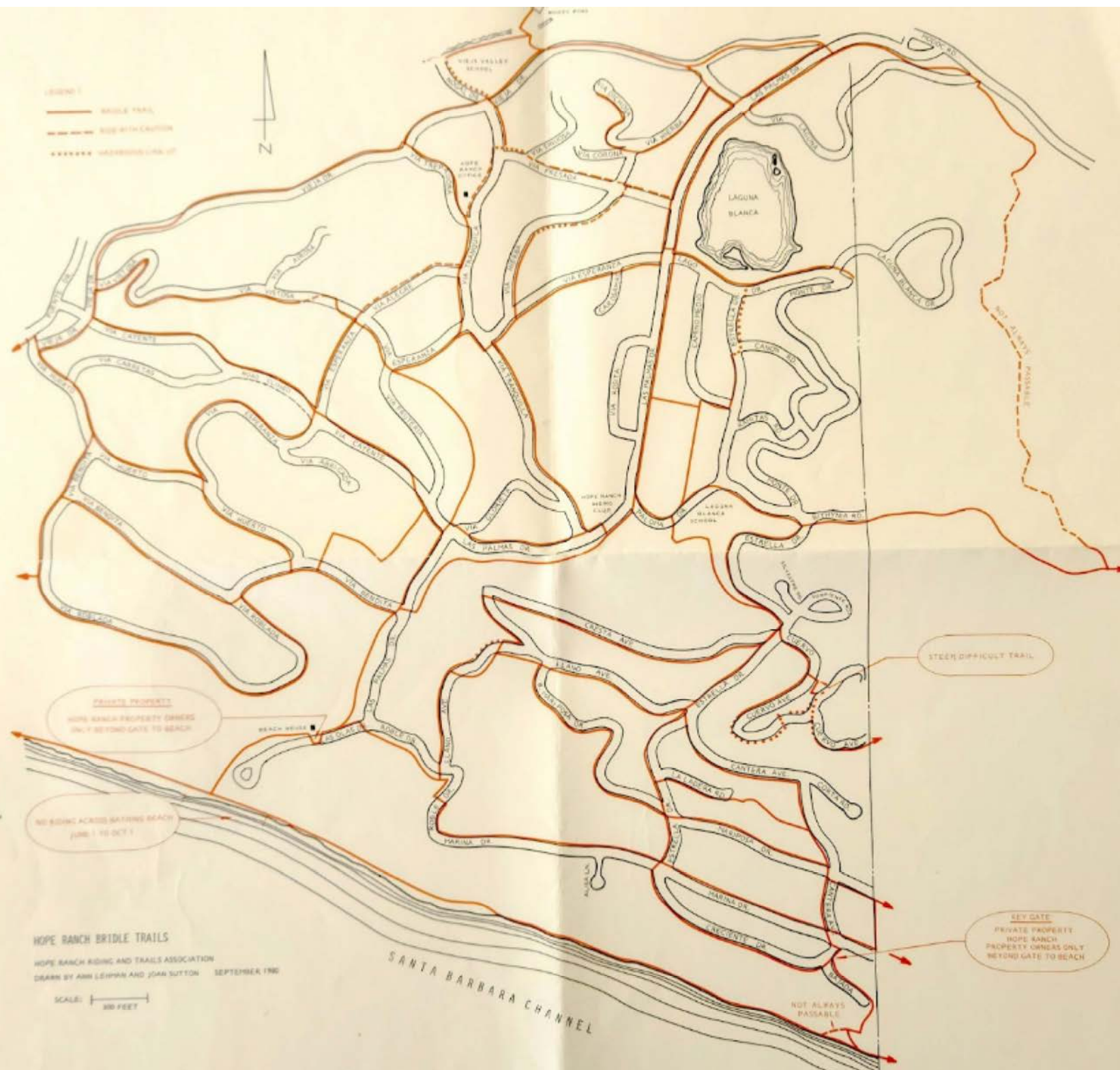
(iii) Grant Deed dated November 15, 1948, and recorded in Book 1365, Page 94, of Official Records (beach parcel, small portion on west side).

(iv) Grant Deed dated May 14, 1963, and recorded in Book 2079, Page 1177, of Official Records (old beach house parcel).

(v) Trustee's Deed dated April 2, 1971, and recorded in Book, 2350, Page 167, of Official Records (small parcel east of main beach parcel).

# **EXHIBIT C**





# **EXHIBIT D**



HOPE RANCH RIDING & TRAILS  
ASSOCIATION

PO BOX 3506  
SANTA BARBARA, CA 93130  
hrrtrails@gmail.com

RIDING LIST



IMPORTANT INFORMATION

1. FOR EVERYONE'S SAFETY, PLEASE NOTE THAT NON-ROADSIDE TRAILS SHOWN IN BLUE ARE RESERVED FOR THE USE OF HOPE RANCH EQUESTRIANS AND THEIR GUESTS ONLY.
2. MODOC RINGS REQUIRE MEMBERSHIP, CONTACT HOPE RANCH RIDING & TRAILS FOR MEMBERSHIP INFORMATION
3. HOPE RANCH TRAILS ARE PRIVATE PROPERTY.
4. PERMISSION TO PASS IS REVOCABLE.
5. THIS MAP IS FOR GENERAL INFORMATION ONLY AND IS INTENDED TO SHOW THE FREQUENTLY RIDDEN TRAILS

USE OF THESE TRAILS ARE AT THE RIDERS OWN RISK. HOPE RANCH PARK HOMES ASSOCIATION IS NOT RESPONSIBLE FOR INJURY TO HORSES OR THEIR RIDERS OR DAMAGE TO PERSONAL PROPERTY WHILE USING THESE TRAILS.

- ① ——— =BRIDLE TRAIL
1. VIA HIERBA
  2. LAGO DRIVE
  3. ESTRELLA DRIVE
  4. CAMINO MEDIO
  5. CANTERA AVE
  6. MARIPOSA DRIVE
  7. CRESTA AVENUE
  8. CRECIENTE DRIVE
  9. MARINA DRIVE
  10. ROBLE ROAD
  11. PALOMA DRIVE
  12. LAS PALMAS DRIVE
  13. VIA BENDITA
  14. VIA ROBLADA
  15. VIA HUERTO
  16. VIA CAYENTE
  17. VIA ESPERANZA
  18. VIA TANQUILA
  19. VIA VISTOSA
  20. VIA TREPADORA
  21. VIEJA DRIVE
  22. LLANO AVENUE
- ② - - - - - =ROAD TRAIL CONNECTIONS
1. VIA HIERBA
  2. LA LADERA ROAD
  3. VIA VISTOSA
  4. VIEJA DRIVE
  5. VIA ESPERANZA
- ③ ——— =EQUESTRIAN ONLY
1. LAGUNA BLANCA TRAIL
  2. LA LADERA ROAD TRAIL
  3. THRU THE WOODS
  4. ROBLE ROAD
  5. LAS OLAS ROAD
  - 6A. UPPER BEACH TRAIL
  - 6B. LOWER BEACH TRAIL
  7. CHALK HILL
  8. HAWK VALLEY
  9. VIA CAYENTE
  10. CHASE FIELD TRAIL
  11. SEA RANCH TRAIL



# **EXHIBIT E**



 *BRIDLE TRAIL*  
 *TRAIL ACCESS RIDE WITH CAUTION*



*HOPE RANCH  
PARK HOMES  
ASSOCIATION*  
SANTA BARBARA, CA 93110  
(805) 967-2376

*Last Revised: 4/24/19*

DISCLOSURE: INFORMATION CONTAINED ON THIS MAP MAY NOT BE ACCURATE.



# **EXHIBIT F**

## Hope Ranch Park Homes Association

### Poll re TTWT

#### Introduction:

Many of you may not know about the Through the Woods Trail (TTWT) which runs along Las Olas Creek from near La Paloma Drive to Via Bendita. It is a lovely trail through an ancient oak grove and along the creek. Many years ago with the permission of the seven property owners over whose properties it traverses, the Association created a bridle trail which has been enjoyed mostly by equestrians over the years. It has become defacto common area due to its permissive use and maintenance by the Association.

However, no express easement was ever granted by the seven property owners, so its continuance remains at the ongoing permission of those owners. Over the years Canary Island palm trees grew up in the Las Olas Creek bed. This caused a significant diversion of stream flow and an erosion of the banks threatening the ongoing use of the trail which is now closed due to the danger posed by the bank erosion and also threatening to undermine Las Palmas Drive.

The Association is now facing a substantial expenditure to stabilize the banks of the creek and restoring its natural flow by removal of the invasive trees now growing in the creek bed. This will enable the continuance of the trail and also significantly prevent undermining Las Palmas Drive.

The Association sought assistance from County Flood Control in dealing with this issue, but it declined to act saying that this creek was not its responsibility. Therefore, we are faced with potentially taking on the responsibility to clear the creek channel of the trees growing in it and stabilizing the banks which also enables the use of the Through the Woods Trail.

You should understand that Las Olas Creek is really a drainage channel and a central part of the extensive drainage facilities maintained all over Hope Ranch. You probably do not realize that drainage is a significant part of what our "road crew" deals with. All of our homes and paved surfaces concentrate water flow mostly onto our roads and into our drainage system. Maintenance of this system is crucial to facilitating the flow of water in a controlled manner, and Las Olas Creek is the spine of this system.

Thus expanding the common area centered on Las Palmas Drive to include Las Olas Creek and TTWT is being considered by your Board. Since this formalizes what has somewhat been assumed by the Association and expands the responsibilities of the Association in expressly taking on what has been a somewhat haphazard and informal operation of the Association, we feel that we should ask for the members' opinions on the various issues involved.

Below are some questions the Board asks you to answer regarding the various impacts of taking on this responsibility. We estimate that clearing the creek channel and stabilizing the banks to protect the trail will cost hundreds of thousands of dollars, perhaps more. Some equestrians have suggested they could help defray these costs since this effort will enable us to reopen the trail. However, even with the initial expense being funded by contributions, there will be ongoing expenses in maintaining the creek channel

and TTWT which will be borne by the Association. Assuming that we can obtain sufficient contributions to defray these initial expenses, we ask the following questions of you:

1. Do you support the Association's taking grants of easements from the seven property owners to enable the management of Las Olas Creek and use of TTWT? Yes\_\_\_; No\_\_\_
2. If the initial cost of clearing Las Olas Creek and shoring up its banks to support TTWT is covered by voluntary contributions, do you support the Association undertaking the ongoing maintenance of Los Olas Creek and TTWT out of its general funds? Yes\_\_\_; No\_\_\_
3. If there are insufficient voluntary contributions to clear the creek and shore up its banks, do you support using Association general revenue to do this? Yes\_\_\_; No\_\_\_
4. If TTWT is enabled by this process, do you support it being a trail to be used by both equestrians and walkers. Yes\_\_\_; No\_\_\_.

Your answers to these questions will assist the Board of Directors in its efforts to deal with these issues.

# **EXHIBIT G**

# **[Draft] Hope Ranch Park Homes Association**

## **Board Resolution No. [YYYY-XX]**

### **Resolution Establishing Policy on "Member of the Association in Good Standing"**

**WHEREAS**, the Board of Directors ("Board") of the Hope Ranch Park Homes Association ("Association") recognizes the need to clearly define what it means to be a *Member of the Association in Good Standing*;

**WHEREAS**, the concept of a "*Member of the Association in Good Standing*" is essential in determining one's candidacy for position as an Association Board Director;

**WHEREAS**, the concept of a "*Member of the Association in Good Standing*" is essential in determining one's qualifications for committee membership;

**WHEREAS**, the concept of "*Member of the Association in Good Standing*" is not dictated by California Civil Code;

**WHEREAS**, per guidance from Hope Ranch Park Homes Association legal counsel, Boards have complete discretion in appointing members to a committee;

**WHEREAS**, per guidance from Hope Ranch Park Homes Association legal counsel, if the Association Board feels a member is not qualified to serve on a committee, disruptive to the committee or, has a conflict with the issues within the committee's scope of work, the Board, in its sole discretion, can decide not to appoint that member;

**NOW, THEREFORE, BE IT RESOLVED** that the following definition of *Member of the Association in Good Standing* is hereby adopted:

#### **Section 1.**

##### **A Member of the Association in Good Standing**

1. Must be a member of the Association,
2. Cannot be delinquent in payment of dues, or fees,
3. Cannot have a fraud conviction,
4. Cannot be currently, or within the last twelve months, be engaged in a lawsuit against the Association and/or any member of the Board of Directors, or Association staff,
5. Cannot currently, or within the last twelve months, have made a claim against the Association and/or any member of the Board of Directors, or Association staff.

6. Cannot currently, or within the last twelve months, participate in an ADR request with the Association and/or any member of the Board of Directors, or Association staff

## **Section 2. Effective Date**

This Resolution shall take effect immediately upon adoption and shall remain in force unless amended or rescinded by the Board.

**PASSED AND ADOPTED** by the Board of Directors of Hope Ranch Park Homes Association, this \_\_\_\_ day of \_\_\_\_\_, 2025, by the following vote:

### **Director Yes No Abstain Absent**

Name 1

Name 2

Name 3

Name 4

Name 5

Name 6

Name 7

### **ATTEST:**

[Board Secretary Name], Secretary

[Board President Name], President