

This document is provided as an example of a Private Road Maintenance Agreement. It is for demonstration purposes only. Any legally binding agreement should be reviewed by an attorney.

Recording requested by

[REDACTED]

WHEN RECORDED MAIL TO:

[REDACTED]

[REDACTED] **Road Association**
Right of Way and Joint Maintenance
Agreement

RATIFIED APRIL 21, 2001

[REDACTED] Secretary/Treasurer
[REDACTED] Road Association

Dated

We, the undersigned, are the landowners of the land described in Attachment “I” attached hereto and further modified by Attachment “II” attached hereto.

By this document we establish for our mutual benefit a Joint Maintenance and Right Of Way Agreement as well as other rights inuring to the benefit of our individual property and the property of the other signators to this agreement. It is our intent to provide access described by Attachment III (depicted as Maintained Road), commensurate with conditions as of April 21, 2001, giving access to [REDACTED] Road. It is our further intent to combine provisions of previous right of way agreements that are appurtenant to the land described herein, within this agreement so that we may refer to this one document for right of way information.

We hereby bind heirs, our assigns and ourselves as follows:

1. EASEMENT:

We hereby grant to each other non-exclusive easements for ingress and egress 60 feet in width over routes specified in Attachment “I” and “III” attached hereto and made apart hereof. We further grant to each other an easement for public benefit utilities including, but not limited to, electrical power, water, telephone and gas. The route of said utilities shall follow the routes described in said Attachment “III”.

2. MAINTENANCE AND REPAIR OF ROADS

The maintenance and repairs to be undertaken and performed under this Agreement include, but are not limited to, filling of chuckholes, replacing base rock, resurfacing, constructing necessary culvert drain pipes or other improvements reasonable necessary to insure proper drainage, removal of over-hanging or encroaching vegetation, removal of dirt and litter, removal of natural or man-made obstructions, and maintenance of appropriate signs, markers, lights and all other reasonable necessary work to maintain the road in good condition.

3. DECISIONS RELATING TO MAINTENANCE AND REPAIR.

- a. The Association shall meet a minimum of once a year on the third (3rd) Saturday in April. At that annual meeting the membership shall elect a President, a Secretary/Treasurer, a Road Manager, and four (4) Directors comprising a Maintenance Committee. The Maintenance Committee shall represent the 4 sections of the Road system, to wit, [REDACTED] Road to the [REDACTED] Bridge, [REDACTED] from the Bridge up to [REDACTED], from [REDACTED] to the boundaries of [REDACTED] Road Association on [REDACTED] Road in the direction of [REDACTED] Road, and the [REDACTED] and [REDACTED] Road areas.
- b. The President, Secretary/Treasurer and Road Manager and each Member of the Maintenance Committee shall be elected for a term of one year, and shall be known as the Board of Directors. The President shall preside over meetings of the Maintenance Committee, the Board of Directors and the general Membership. The Secretary-Treasurer shall record the minutes, collect annual dues and assessments, and shall maintain the financial records of the Association.
- c. If any of the four (4) sections of the Road (see 3 a. above) are not represented by a Member of the Maintenance Committee, the President shall serve in their stead.
- d. At the annual meeting, the Road Manager shall present to the general Membership a proposed budget comprised of the costs of maintenance and improvements for the coming year, taking the input from the Maintenance Committee. The Board of Directors will affix the amount of assessments to be charged each owner and present the budget to the Membership. All decisions regarding the maintenance and repair of the Road and the affixing of assessments for the cost of same shall be determined by a majority of the Members casting votes, including proxies.

4. VOTING.

- a. The Board of Directors shall be elected by a majority of the Members in Good Standing casting votes, including proxy votes, with each landowner having one (1) vote, provided a quorum is present. For these purposes, a quorum shall consist of 30% of the Members of the Road Association, including proxies. For the purpose of establishing this quorum, a Member is not required to be in Good Standing.
- b. Each Member in Good Standing shall be entitled to one vote. Fractional votes shall not be allowed, and in the event joint owners are unable to agree among themselves as to how their vote (s) shall be cast, they shall lose their right to vote on the matter in question. If any owner casts a vote representing a certain ownership, it will thereafter be conclusively presumed for all purposes that said owner was acting with the authority and consent of all other owners of the same parcel.

5. MEMBER IN GOOD STANDING

To remain in good standing and eligible to obtain all benefits of Membership, each Member must be current in dues, fees, or assessments, or fulfilling financial arrangements to bring their account current.

6. MAINTENANCE COMMITTEE

If any Member of the Association believes that a section of the [REDACTED] [REDACTED] road system is in need of maintenance, that Member may contact their Maintenance Committee representative. That Member of the Maintenance Committee shall make the request known to the Road Manager for inclusion in the annual budget. All such requests must be submitted one (1) month prior to the annual meeting. If a section of the road is in need of emergency work, any Member may contact the Road manager to provide immediate response.

7. AMENDMENTS

Amendments to this Right of Way and Joint Maintenance Agreement shall only be amended, changed, added to, cancelled, replaced or modified within its scope and intent by a vote of by at least sixty percent (60%) of those Members in Good Standing casting ballots, including proxies, (one vote per landowner) provided a quorum is present. For this purpose, a quorum shall consist of two thirds (2/3) of the Members of the Road Association including proxies. For the purpose of establishing this quorum, a Member is not required to be in Good Standing. If the owners, Members in Good Standing of at least 60% of the total landowners casting ballots, including proxies, (one vote per landowner) agree to the Amendment, then the remaining Members hereby agree and hereby bind their heirs, assigns and successors to execute whatever documents are necessary to effectuate said amendment.

8. DAMAGE CAUSED BY AN OWNER.

Should any landowner or their agent, employee or invitee cause damage to the Road (to be determined by the Maintenance Committee) which is not due to normal wear and tear of same, such owner shall immediately repair and restore the Road to its condition immediately prior to the damage. If they fail to immediately commence the repair and complete it within a reasonable time thereafter (to be determined by the Maintenance Committee), depending upon the work required, the Maintenance Committee shall have the right to have the damage repaired at the cost of the owner causing same.

9. ALLOCATION OF COST TO MAINTAIN AND REPAIR THE ROAD.

- a. Each owner covenants and agrees to pay regular annual dues or charges, special assessments for capital improvements to the road, and emergency assessments.
- b. Such dues or assessments shall be fixed and established at the annual meeting of the Members. The amount thereby fixed and established shall be due and payable on a quarterly or annual basis as determined at the meeting, the Member is responsible for paying those charges due, and the Secretary/Treasurer shall be responsible for collecting same.
- c. Such dues or assessments shall be a charge on the real properties described in Attachments “I” further modified by Attachment “II”, attached hereto, and a continuing lien upon each such parcel, pursuant to California Civil Code 2681 and following. Each such assessment, together with late charges, interest costs and reasonable attorney fees, as provided for herein, shall also be the joint and several personal obligation of each person who was the owner of the particular real property at the time the assessment fell due.
- d. Algorithm (reference Attachment “V”)

For the purpose of calculating the annual maintenance fees or special assessments the following definitions will be used to define the category of members:

Resident: Landowner or individual(s) living on and traveling to and from a landowner’s parcel(s) using the maintained roads as described in Attachment III and using the property on a full time basis as their principal place of residence.

Non Resident: Landowners or individual(s) not living on a landowner’s parcel(s) and not using the property on a full time basis or as their

principal place of residence. Landowners or individual(s) may travel to their property using the maintained roads as described in Attachment III on an infrequent basis (weekends, holidays or short vacation periods) primarily for part time or recreational use.

Absentee Landowner: Landowners who rarely travel (one or two times a year) to their property and do not allow other individuals to travel to and from their property.

Non-Access Member: Certain parcels within the area covered by this Agreement do not have practical access to any of the Maintained Roads as described in Attachment III, and the owners do not use such roads to ingress or egress to or from their parcel(s).

Commercial Travel: Private or commercial vehicles that travel to landowners' parcels on the Maintained Roads as described in Attachment III for the purposes of conducting commerce for an extended period of time (five working days) or for the purposes of participating in recreational activities for which the landowner is compensated.

10. ENFORCEMENT.

Should any party fail, after due notice in writing, to pay their dues or assessments for the costs of maintenance, repair, construction or reconstruction, the remaining Members shall have the right to bring action at law or in equity against the defaulting party for said assessments. Any assessment not paid within thirty (30) days after the due date shall be delinquent and shall bear interest at the maximum rate allowed by law commencing thirty (30) days after the assessment became due, until paid. The defaulting owner shall also pay all costs which may be incurred by the Association in collection of such charge, including reasonable attorney fees. The assessment, interest, late charge and costs incurred, including attorney fees, shall be and become a lien upon the defaulting owner's real property described in Attachments "I" as modified by Attachment "II" attached hereto, upon the recording in the office of the Santa Cruz County Recorder of Notice of Delinquent Assessment. The Notice of Delinquent Assessment shall be signed and acknowledged by at least four (4) Members of the Board of Directors.

11. CONTRIBUTION BY NON-MEMBERS TO THESE RULES.

The Members acknowledge that there may be other parcel-owners who may or may not have easements over the [REDACTED] road system and use same for access to their respective parcels, but who have failed or refused to sign this Road Maintenance Agreement or have failed or refused to pay their share of the maintenance and repair costs of the Road. Any party to these Rules or the Board of Directors shall have the right to seek collection of the defaulting Members' share of maintenance and repair costs of the Road pursuant to the provisions of Civil Code section 845 (from which excerpts are attached as Attachment "IV") and bring action in any court of law or equity.

12. SUBORDINATION TO MORTGAGE.

The sale or transfer of any parcel shall not affect the assessment lien. No sale or transfer shall relieve such parcel from liability from any assessment thereafter becoming due or from the lien thereof.

13. ATTORNEY FEES.

In the event suit is brought to enforce or interpret any part of these Rules, the prevailing party shall be entitled to recover as an element of her/his costs of suit, and not as damages, a reasonable attorney fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his costs shall not recover attorney fees. No sum for attorney fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover his costs or attorney fees.

14. ARBITRATION.

Except for disputes regarding assessments, which are to be heard by the appropriate court, any dispute under these Rules shall be submitted to arbitration and the award of the arbitrator shall be binding upon the Members. If the Members cannot agree upon a single arbitrator, they shall petition the presiding Judge of the Superior Court of Santa Cruz County to appoint an arbitrator. Arbitration proceedings shall be held pursuant to California Code of Civil Procedure, Section 1280 and following. The arbitrator may award reasonable attorney fees and other costs to the prevailing party as the arbitrator determines. The Maintenance Committee shall have the right to file a Notice of Assessment prior to the commencement of an arbitration.

15. SUCCESSORS AND ASSIGNS.

Each of the obligations of the owners set forth in these Rules is intended to be a covenant running with the land of each owner hereto and shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of each of the owners.

16. RECORDING.

This [REDACTED] Road Association Right of Way and Joint Maintenance Agreement shall be recorded in the Official Records of Santa Cruz County.

17. SEVERABILITY.

Should any portion of these Rules be determined void as a matter of law, the remainder shall continue in full force and effect.

18. MERGER.

This instrument contains the sole and only agreement of the Members hereto and correctly sets forth the rights, duties and obligations of each to the other as of its date. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force and effect.

19. NOTICES.

- a. Any notice required to be given pursuant to these Rules shall be given in writing to the other party and delivered personally, sent by overnight courier, sent by facsimile transmission (with the original forwarded by other method) or by depositing the same in the United States postal service, registered or certified mail, return receipt requested, with the postage prepaid, addressed to the last known address of the party.
- b. Any notice delivered by mail shall be deemed delivered five (5) business days after deposit in the United States postal service mail. The address to which any notice is to be delivered may be changed by either party by compliance with the provisions of this paragraph.
- c. It is the responsibility of each Member to ensure that the Road Association is kept informed of the Member's current address.

20. ACCESSIBILITY

NON-ACCESS MEMBERS.

Certain parcels within the area subject to this Agreement, whether as originally established or as subsequently amended, do not have practical access to any of the Maintained Roads (the “roads”) described in Attachment III, and the owners of such parcels do not use, and do not intend to use, such roads for ingress and egress to or from such parcels. Such parcels shall be designated as “Non-access Parcels”, and the owners thereof as “Non-access Members”, in accordance with this section. Non-access Members may request designation as such, which request shall be granted by the Board of Directors upon reasonable verification that the proposed Non-access Parcel does not, in fact, have practical access to any of the roads described herein. The Secretary of the Road Association shall thereupon execute and acknowledge a “Statement of Non-access”, evidencing such designation. Non-access Members shall remain as non-voting Members of the Road Association, but subject to the following:

- a) The mutual right-of-way easements granted to each Member for use of the roads described in Attachment III shall not benefit a designated Non-access Parcel, and Non-access Members shall not have any right of way easement over or upon such roads, except with respect to owned parcels, if any, which remain subject to the full obligations of membership hereunder;
- b) Neither Annual Dues, Basic Maintenance Fees, nor any other special or regular assessments shall be charged with respect to a designated Non-access parcel;
- c) Any Non-access Member who later desires to establish access from a Non-access Parcel to one or more of the roads described in Attachment III shall petition the Board of Directors for such access. The Board of Directors shall establish, in its reasonable discretion, an “initial access fee”, which shall be based, among other things, upon the degree to which the affected road(s) have undergone capital improvement, and the depreciation thereof, during the period of Non-access status. Upon payment of the initial access fee, on such terms as the Board of Directors shall determine, the Secretary shall execute, acknowledge and record a “Revocation of Statement of Non-access” with respect to the affected parcel(s), and dues, fees and assessments shall thereafter accrue with respect to such parcel in accordance with the applicable provisions of this Agreement.
- d) Following designation of a parcel as a “Non-access Parcel”, in

accordance herewith, the provisions of this “NON-ACCESS MEMBER” section shall not be amended (nor shall the rights or obligations of a Non-access Member be modified) with respect to such parcel, except upon the written consent of the owner(s) thereof, for so long as such designation continues.

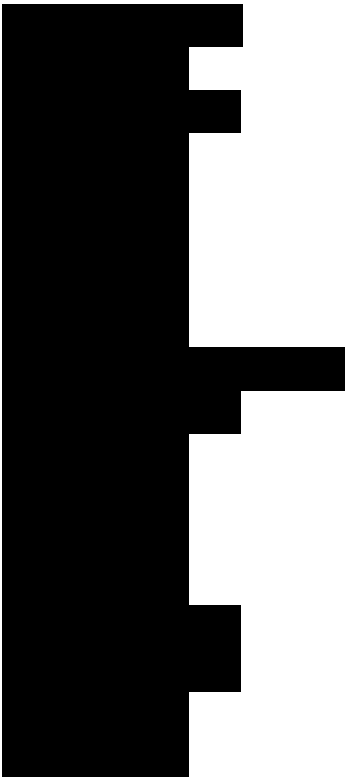
e) As used herein, “practical access” shall mean access from any portion of the subject parcel to any of the subject roads via a road, path or way which can be traversed by a passenger vehicle.

ATTACHMENT I

Original Right of Way and Joint Maintenance Agreement, recorded February 11, 1970 in [REDACTED] [REDACTED] Official Records of Santa Clara County, California. This agreement may be viewed at the County of Santa Cruz Recorder's Office, 701 Water Street, Santa Cruz, CA 95062.

ATTACHMENT “II”

Exhibits “A”, “A-1” “B”, and “C” of Attachment “I” attached, are hereby modified and henceforth include only the following parcels as part of the [REDACTED] Road Association:



The [REDACTED] Road Association shall be solely responsible for maintaining only the following roads as defined in Attachment “III”:



[REDACTED]

[REDACTED]

ATTACHMENT “III” page 2 of 2

Road Name	From Pt.	To Pt.	Road Description
██████████	A	B	Beginning at the intersection of ██████████ Road and ██████████ and traveling 1.4 miles in an approximate NE direction and terminating at the intersection of ██████████ Roads
██████████ Road	B	C	Beginning at the intersection of ██████████ ██████████ Roads and traveling .8 mile in an approximate NE direction, terminating at the Green Gate located at the intersection of ██████████ Road.
██████████ Road	B	D	Beginning at the intersection of ██████████ ██████████ Rd. and traveling .6 mile in an approximate NE direction and terminating at the southernmost property line of parcel # ██████████
██████████ Road	E	F	Beginning at the intersection of ██████████ and the eastern end of ██████████ Rd. and traveling 1.7 miles in an approximate SW direction and terminating where the road crosses the westernmost property line of parcel ██████████
██████████ Road	G	H	Beginning at the intersection (aka ██████████) approximately 1 mile SW from point E and traveling .4 mile in an approximate North direction and terminating at large log

ATTACHMENT “IV”

Pertinent excerpts from Section 845 of the California Civil Code

The owner of any easement in the nature of a private right-of-way, or of any land to which any such easement is attached, shall maintain it in repair.

If the easement is owned by more than one person, or is attached to parcels of land under different ownership, the cost of maintaining it in repair shall be shared by each owner of the easement or the owners of the parcels of land, as the case may be, pursuant to the terms of any agreement entered into by the parties for that purpose. If any owner who is a party to the agreement refuses to perform or fails after demand in writing to pay the owner's proportion of the cost, an action for specific performance or contribution may be brought against that owner in a court of competent jurisdiction by the other owners, either jointly or severally.

In the absence of any agreement, the cost shall be shared proportionately to the use made of the easement by each owner.

ATTACHMENT "V"

BASIC MAINTENANCE FEE

is to be paid by all landowners
and pays for the following:

Liability Insurance	\$	300.00
Mailings	\$	25.00
Stationery	\$	25.00
Copying, misc.	\$	33.00
P.O. Box fee	\$	32.00
Rock & Materials	\$	2,000.00
TOTAL	\$	2,415.00

divided by number of landowners less non-access \$ **77.90** Per landowner

RESIDENTS' USAGE MAINTENANCE FEE

Each **household** shall pay 85% of approved annual budget and any emergency special assessment divided by total miles traveled to all households multiplied by miles traveled by resident to their property

NON-RESIDENTS' USAGE MAINTENANCE FEE

Each non-resident shall pay 15% of approved annual budget and any emergency special assessment divided by total miles traveled by all non-residents multiplied by miles traveled by non-residents to their property

ABSENTEE OWNER	Annual basic maintenance fee; no usage
NON-ACCESS MEMBERS	No fees or assessments required
COMMERCIAL TRAVEL	\$1.00 per travel day per vehicle or as applicable

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RECORDED AT THE REQUEST OF:

[REDACTED]

WHEN RECORDED MAIL TO:

[REDACTED]

(Space above this line for Recorder's use only)

AMENDED

[REDACTED] **INC.**

RIGHT OF WAY AND JOINT MAINTENANCE AGREEMENT

originally recorded in

[REDACTED]

February 21, 1973, Santa Cruz County.

RATIFIED JANUARY 15, 2007

[REDACTED] _____
[REDACTED] **Inc.**

January 19, 2007
Dated

We, the undersigned, are the landowners of the land described in Attachment "I" attached hereto and further modified by Attachment "II" attached hereto.

By this document we amend the Right of Way and Joint Maintenance Agreement originally recorded in [REDACTED], February 21, 1973. It is the intention of the undersigned to amend the Right of Way and Joint Maintenance Agreement for our mutual benefit and enjoyment as well as for other rights inuring to the benefit our individual property and the property of the signators to this amended Right of Way and Joint Maintenance Agreement. It is our further intent to combine provisions of previous right of way agreements that are appurtenant to the land described herein within this Right of Way and Joint Maintenance Agreement so that we may refer to this one document for right of way information.

[REDACTED], Inc. is the administrative organization for this agreement. We hereby bind heirs, our assigns, and ourselves as follows:

1. EASEMENT:

We hereby grant to each other non-exclusive easements for ingress and egress fifty (50) feet in width over routes specified in Attachment "I" and "III" attached hereto and made apart hereof. We further grant to each other an easement for public benefit utilities including, but not limited to, electrical power, water, telephone and gas. The route of said utilities shall follow the routes described in said Attachment "III".

2. WATER RIGHTS:

It is further agreed that each landowner subscribed to this agreement is entitled to construct and maintain wells and install pumps along [REDACTED] for the purpose of providing domestic water for homes, so long as the amount of water used shall not exceed five hundred (500) gallons per day per home. Each of the undersigned and their heirs and assigns hereby grants to each of the other undersigned, their heirs and assigns, an easement for the purpose of constructing and maintaining wells or pumps along [REDACTED] and for the construction and maintenance of water pipe and electrical wires necessary or convenient to the various landowners herein, their heirs and assigns, to permit the withdrawal of water from [REDACTED] and the delivery of said water to whatever residence may be constructed upon any of the property hereinabove described; foregoing to be consistent to applicable city and county and state laws.

3. PUBLIC UTILITY EASEMENT

Each of the landowners hereby grants a public utility easement over any portion of the property hereinabove described for the purpose of supplying any public utility including but not limited to electrical power, water, and gas. When and if the exact routing for such easements have been determined by the public utility affected, the undersigned bind themselves, their heirs and assigns, to execute such documents as may be necessary to establish precisely said public utility easements; foregoing to be consistent to applicable city and county and state laws.

4. MAINTENANCE AND REPAIR OF ROADS

The maintenance and repairs to be undertaken and performed under this Agreement include, but are not limited to, filling of chuckholes, replacing base rock, resurfacing, constructing necessary culvert drain pipes or other improvements reasonably necessary to ensure proper drainage, removal of over-hanging or encroaching vegetation, removal of dirt and litter, removal of natural or man-made obstructions, and maintenance of appropriate signs, markers, lights and all other reasonable necessary work to maintain the road in good condition.

5. DECISIONS RELATING TO MAINTENANCE AND REPAIR.

- a. The Association shall meet a minimum of twice a year on the first 1st Saturday in May and the 1st Saturday in November, unless the Board of Directors fixes another date and so notifies the members as provided in Section 21 of this Agreement.
- b. The President, the Treasurer and two directors at large shall be elected at the annual May meeting. The Secretary, Road Manager and one director at large shall be elected at the semi-annual November meeting. These 7 positions will constitute the Board of Directors and each position shall be held for a period of one year.
- c. No member of the Board of Directors represents the entire Board of Directors unless expressly directed to do so by the Board of Directors. A member of the Board of Directors may be chosen at a Board of Directors meeting to perform certain duties in the name of the Board of Directors.
- d. **President.** The President shall, subject to the control of the Board of Directors, generally supervise, direct, and control the business and the officers of the corporation. He shall preside at all meetings of the members and at all meetings of the Board of Directors. He shall have such other powers and duties as may be prescribed by the Board of Directors, except those directly granted to the Road Manager, Secretary, and Treasurer.
- e. **Secretary.** The Secretary shall attend to the following:
 - (i) Book of minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors and members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of members present or represented at members' meetings, and the proceedings of such meetings.
 - (ii) Membership records. The Secretary shall keep, or cause to be kept, at the principal office, as determined by resolution of the Board of Directors, a record of the corporation's members, showing the names of all members, and their addresses.
 - (iii) Notices, seal and other duties. The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors. The Secretary shall keep the seal of the corporation in safe custody. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors. The Secretary shall file all tax statements.
- f. **Treasurer.** The Treasurer shall attend to the following:

In the absence or disability of the President, the Treasurer shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Treasurer shall have such other powers and perform such other duties as from time to time may be prescribed for her by the

Board of Directors. In addition to the above the Treasurer shall attend to the following:

(i) Duties and books of account. The Treasurer shall assess all members in an amount calculated as set forth in Attachment V. The Treasurer is responsible for the collection and disbursement of funds, for keeping accurate and up to date records of the corporation accounts, and for the recording of liens as provided for in Section 12. The records shall be kept using a standard book-keeping system with a general journal and the following accounts: Accounts Payable, Legal Expense, Road Maintenance Expense, General Expense, and other matters customarily included in financial statements. The balances of these accounts and any significant information contained within these accounts are to be presented in standard financial statement form at the annual meetings. The books of account shall be open to inspection by any member at all reasonable times.

(ii) Deposit and disbursement of money and valuables. The Treasurer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors and shall disburse the funds of the Corporation as may be ordered by the Board of Directors. The funds shall be paid out only on checks of the Corporation signed by any one of the following: the President, the Secretary, the Treasurer or such other members as may be designated by the Board of Directors as authorized to sign them. The Treasurer shall render to the President and directors, whenever they request it, an account of all of his transactions as Treasurer and of the financial condition of the Corporation; and shall have other powers and perform such other duties as may be prescribed by the board of directors.

g. **Road Manager.** The Road Manager shall attend to the following:

The Road Manager shall have the authority to spend corporation money and enter into contracts on behalf of [REDACTED] Landowners, Inc. for the construction and maintenance of the maintained roads (reference Attachment III) and for the construction and maintenance of gates, fences, and other security devices authorized by the members, shall make estimates of projected road maintenance expense available to the Treasurer upon request, and shall have other authority as granted by the Board of Directors. In an emergency the Road Manager may spend up to one thousand dollars (\$1,000) without approval of the Board of Directors to make roads passable. Non-emergency work and any work costing over one thousand dollars (\$1,000) must have a work or purchase order signed by two officers or directors other than the Road Manager. The Road Manager shall prepare a written report for the Annual Meeting and for the Semi Annual Meeting of the membership and, if requested by the President or any two members of the board, for any meeting of the Board of Directors. At the annual meeting in May, the Road Manager shall present to the general Membership a proposed budget comprised of the costs of maintenance and improvements for the coming year, taking the input from the Board of Directors. The Board of Directors will affix the amount of assessments to be charged each owner and present the budget to the Membership. All decisions regarding the budget for maintenance and repair of the Road and the affixing of assessments for the cost of same shall be determined by a majority of the Members casting votes, including proxies.

6. VOTING

- A. The Board of Directors shall be elected by a majority of the ***MEMBERS IN GOOD STANDING*** casting votes, including proxy votes, with each landowner having one (1) vote, provided a quorum is present. For these purposes, a quorum shall consist of ***thirty percent*** (30%) of the Members of the Road Association, including proxies. ***[BOLDED AND ITALICIZED WORDS AMENDED THIS JOINT MAINTENANCE AGREEMENT ON MAY 13, 2008 – DOCUMENT NO. 2008 - 0020725].***
- B. Each Member in Good Standing shall be entitled to one vote. Fractional votes shall not be allowed, and in the event joint owners are unable to agree among themselves as to how their vote (s) shall be cast, they shall lose their right to vote on the matter in question. If any owner casts a vote representing a certain ownership, it will thereafter be conclusively presumed for all purposes that said owner was acting with the authority and consent of all other owners of the same parcel.
- C. ***LANDOWNERS IN GOOD STANDING, OTHER THAN MEMBERS OF DCLI, WHO USE THE [REDACTED] LANDOWNERS, INC. ROAD SYSTEM OR PART OF THE ROAD THAT IS MAINTAINED BY DCLI, SHALL BE ENTITLED TO VOTE ON THE ANNUAL BUDGET, GIVEN A QUORUM IS PRESENT, WITH EACH LANDOWNER IN GOOD STANDING HAVE ONE (1) VOTE. [BOLDED AND ITALICIZED WORDS AMENDED THIS JOINT MAINTENANCE AGREEMENT ON MARCH 3, 2008 – DOCUMENT NO. 2008 - 0020724].***

7. MEMBER IN GOOD STANDING

A member in good standing is one who is current in dues, fees, or assessments, or fulfilling financial arrangements to bring their account current. All Board members must be in good standing.

7A. LANDOWNER IN GOOD STANDING

A LANDOWNER IN GOOD STANDING IS ONE WHO IS CURRENT IN FEES OR FULFILLING FINANCIAL ARRANGEMENTS TO BRING THEIR ACCOUNT CURRENT. [BOLDED AND ITALICIZED WORDS AMENDED THIS JOINT MAINTENANCE AGREEMENT ON JUNE 23, 2009 – DOCUMENT NO. 2009-0032192].

8. MAINTENANCE

If any Member of the Association believes that a section of the [REDACTED] road system is in need of maintenance, that Member may contact the Board of Directors. That Member shall make the request known to the Road Manager for inclusion in the annual budget. All such requests must be submitted one (1) month prior to the annual meeting in May. If a section of the road is in need of emergency work, any Member may contact the Road Manager to provide immediate response. Any road work done by a landowner within in the [REDACTED] Landowners, Inc. maintenance area must be pre-approved by the Board of Directors.

9. AMENDMENTS

This Agreement may be amended, changed, added to, cancelled, replaced or modified within its scope and intent by a vote of 60% or more of the landowners casting votes (each owner having one vote) subject to the terms of this Agreement and its amendments thereto at the time of such proposed amendment. Any amendment must be in written form so that it may be recorded. When the requisite numbers of owners (60% or more of those casting votes) of the subject land sign said amendment, then the remaining owners hereby agree and hereby bind their heirs, assigns and successors to execute whatever documents are necessary to effectuate said amendment, provided a quorum is present. For these purposes, a quorum shall consist of 30% of the Members of the Road Association, including proxies.

10. DAMAGE CAUSED BY AN OWNER.

Should any landowner or their agent, employee or invitee cause damage to the road system which is not due to normal wear and tear of same (to be determined by the Board of Directors), such owner shall immediately repair and restore the Road to its condition immediately prior to the damage. If they fail to commence the repair and complete it within a reasonable time thereafter (to be determined by the Board of Directors), depending upon the work required, the Board of Directors shall have the right to have the damage repaired at the cost of the owner causing same.

Extraordinary use: Private or commercial vehicles that travel to landowners' parcels on the Maintained Roads as described in Attachment III for the purposes of conducting commerce for an extended period of time (five working days) or for the purposes of participating in recreational activities for which the landowner is compensated. An extraordinary use policy such as Logging and Firewood Cutting and Heavy Vehicle Policy will be kept on file at the principal office of the [REDACTED] Landowners, Inc.

11. ALLOCATION OF COST TO MAINTAIN AND REPAIR THE ROAD

- a. Each owner covenants and agrees to pay regular annual dues or charges, special assessments for capital improvements to the road, and emergency assessments.

- b. Such dues or assessments shall be fixed and established at the annual meeting of the Members. The amount thereby fixed and established shall be due and payable on an annual basis (fiscal year May 1 thru April 30th) as determined at the meeting, the Member is responsible for paying those charges due, and the Treasurer shall be responsible for collecting same.
- c. Such dues or assessments shall be a charge on the real properties described in Attachment "I" attached hereto, and a continuing lien upon each such parcel and following. Each such assessment, together with late charges, interest costs and reasonable attorney fees, as provided for herein, shall also be the joint and several personal obligation of each person who was the owner of the particular real property at the time the assessment fell due.
- d. Assessment Method (reference Attachment "V")

For the purpose of calculating the annual maintenance fees or special assessments the following definitions will be used to define the category of members:

Resident: Landowner or individual(s) living on and traveling to and from a landowner's parcel(s) using the maintained roads as described in Attachment III and using the property on a full time basis as their principal place of residence.

Non Resident: Landowners or individual(s) not living on a landowner's parcel(s) and not using the property on a full time basis or as their principal place of residence. Landowners or individual(s) may travel to their property using the maintained roads as described in Attachment III on an infrequent basis (weekends, holidays or short vacation periods) primarily for part time or recreational use.

12. ENFORCEMENT

Should any party fail, after due notice in writing, to pay their dues or assessments for the costs of maintenance, repair, construction or reconstruction, the remaining Members, either jointly or severally, shall have the right to bring action at law or in equity against the defaulting party for said assessments. Any assessment not paid within thirty (30) days after the due date shall be delinquent and shall bear interest at the maximum rate allowed by law commencing thirty (30) days after the assessment became due, until paid. The defaulting owner shall also pay all costs which may be incurred by the Association in collection of such charge, including reasonable attorney fees. The dues or assessment, interest, late charge and costs incurred, including attorney fees, shall be and become a lien upon the defaulting owner's real property described in Attachment "I" attached hereto, upon the recording in the office of the Santa Cruz County Recorder of Notice of Delinquent Assessment. The Notice of Delinquent Assessment shall be signed and acknowledged by at least four (4) Members of the Board of Directors.

13. CONTRIBUTION BY NON-MEMBERS TO THESE RULES.

The Members acknowledge that there may be other landowners who may or may not have

easements over the [REDACTED] road system and use same for access to their respective parcels, but who have failed or refused to sign this Road Maintenance Agreement or have failed or refused to pay their share of the maintenance and repair costs of the Road. Any party to these Rules or the Board of Directors shall have the right to seek collection of the defaulting landowner's share of maintenance and repair costs of the Road pursuant to the provisions of California Civil Code section 845 (from which excerpts are attached as Attachment "IV") and bring action in any court of law or equity. Non member landowners who may or may not have easements over the [REDACTED] road system, and who use same for access to their parcels, are required to pay their share of the maintenance and repair costs of the road, pursuant to provisions of California Civil Code Section 845 (Reference Attachment IV).. Any party to these Rules and the Board of Directors shall have the right to seek collection from non-members who fail to pay these costs.

14. SUBORDINATION TO MORTGAGE.

The sale or transfer of any parcel shall not affect the assessment lien. No sale or transfer shall relieve such parcel from liability from any assessment thereafter becoming due or from the lien thereof.

15. ATTORNEY FEES.

In the event suit is brought to enforce or interpret any part of these Rules, the prevailing party shall be entitled to recover as an element of their costs of suit, and not as damages, a reasonable attorney fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his costs shall not recover attorney fees. No sum for attorney fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover their costs or attorney fees.

16. ARBITRATION.

Except for disputes regarding assessments, which are to be heard by the appropriate court, any dispute under these Rules shall be submitted to arbitration and the award of the arbitrator shall be binding upon the Members or non-members. If the Members or non-members cannot agree upon a single arbitrator, they shall petition the presiding Judge of the Superior Court of Santa Cruz County to appoint an arbitrator. Arbitration proceedings shall be held pursuant to California Code of Civil Procedure, Section 1280 and following. The arbitrator may award reasonable attorney fees and other costs to the prevailing party as the arbitrator determines. The Board of Directors shall have the right to file a Notice of Assessment prior to the commencement of an arbitration.

17. SUCCESSORS AND ASSIGNS.

Each of the obligations of the owners set forth in these Rules is intended to be a covenant running with

the land of each owner hereto and shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of each of the owners.

18. RECORDING.

This [REDACTED] Landowners, Inc. Right of Way and Joint Maintenance Agreement shall be recorded in the Official Records of Santa Cruz County.

19. SEVERABILITY.

Should any portion of these Rules be determined void as a matter of law, the remainder shall continue in full force and effect.

20. MERGER.

This instrument contains the sole and only agreement of the Members hereto and correctly sets forth the rights, duties and obligations of each to the other as of its date. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force and effect.

21. NOTICES.

1. Any notice required to be given pursuant to these Rules shall be given in writing to the other party and delivered personally, sent by overnight courier, sent by facsimile transmission (with the original forwarded by other method) or by depositing the same in the United States postal service, addressed to the last known address of the party.

2. Any notice delivered by mail shall be deemed delivered ten (10) business days after deposit in the United States postal service mail. The address to which any notice is to be delivered may be changed by either party by compliance with the provisions of this paragraph.

3. It is the responsibility of each Member to ensure that the Road Association is kept informed of the Member's current address.

Any matter that establishes or changes the [REDACTED] Landowners, Inc. Right of Way and Joint Maintenance Agreement, the assessment method, or any other financial assessment must be submitted to a vote of the membership at an annual meeting. Notice of such a vote and all supporting documents must be delivered to the members at least or thirty days prior to the meeting at which such a vote is to take place.

ATTACHMENT I

[REDACTED] LANDOWNERS, INC. RIGHT OF WAY AND JOINT MAINTENANCE

[REDACTED]

[REDACTED]

[REDACTED] This agreement may be viewed at the County of Santa Cruz Recorder's Office, 701
Water Street, Santa Cruz, CA 95062.

ATTACHMENT II

APNs

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ATTACHMENT III

ATTACH PARCEL MAP

Attachment IV

Pertinent excerpts from Section 845 of the California Civil Code

The owner of any easement in the nature of a private right-of-way, or of any land to which any such easement is attached, shall maintain it in repair.

If the easement is owned by more than one person, or is attached to parcels of land under different ownership, the cost of maintaining it in repair shall be shared by each owner of the easement of the owners of the parcels of land, as the case may be, pursuant to the terms of any agreement entered into by the parties for that purpose. If any owner who is a party to the agreement refuses to perform or fails after demand in writing to pay the owner's proportion of the cost, an action for specific performance or contribution may be brought against that owner in a court of competent jurisdiction by the other owners, either jointly or severally.

In the absence of any agreement, the cost shall be shared proportionately to the use made of the easement by each owner.

Attachment V

Landowners, Inc. Road Assessment Method

Basic Maintenance Fee:

_____ (A) _____

Consists of fixed annual administrative fees such as liability insurance, Post Office Box fees, postage, office supplies and applicable Income Taxes

Discretionary Budget:

___ +_ (B) _____

Consists of the annual costs to maintain, repair or improve the maintained roads and bridges

Total Approved Budget:

= (C) _____

Determination of each Landowner's Annual Assessment:

Each landowner's annual assessment will be the sum of two components: a share of the Basic Maintenance fee (A) and a share of the Discretionary Budget (B).

Each landowner's share of the Basic Maintenance Fee (A) will be the same. The share will be equal to A divided by the number of landowners.

Each landowner's share of the Discretionary Budget (B) will be equal to the number of miles on roads to the landowner's property multiplied by a cost-per-mile factor.

For resident landowners, the cost per mile will be equal to the Discretionary budget (B) divided by:

(D) = the sum of all residents' miles + 2/3 multiplied by the sum of all non-residents' miles.

For non-resident landowners, the cost per mile will be equal to 2/3 multiplied by the cost per mile for resident landowners.

[BOLDED AND ITALICIZED WORDS AMENDED THIS JOINT MAINTENANCE AGREEMENT ON JUNE 2, 2016 – DOCUMENT NO.]