RECORDING REQUESTED BY:

6248

BOOK 1721 PAGE 214

RECORDED AT REQUEST OF
CHICAGO TITLE CO.
at ... 2 ... min. past ... 8A ... M.
MAY 29 1997
OFFICIAL RECORDS
TEHAMA COUNTY, CALIFORNIA
MARY ALICE GEORGE
Fee $ 16- Recorder 24

AND WHEN RECORDED, RETURN TO:

Rolling Hills Partners
C/O Round Up Realty
2150 N. Main St., Ste. 11
Red Bluff, CA 96080

AMENDED AND RESTATED

DECLARATION OF

ROAD MAINTENANCE ASSOCIATION

AND DECLARATION OF ANNEXATION

Declarants are the owners of that certain real property located in Tehama County, California, which is more particularly described in Exhibits "A" and "B" attached hereto and incorporated herein.

Whereas, a Declaration of Road Maintenance Association was recorded June 25, 1992 in Book 1387, page 352, Official Records of Tehama County, covering the lands described in Exhibit "A" attached hereto;

And Whereas it is the intent of the owners of all the lands described in Exhibit "A" attached hereto to amend and restate said Declaration of Road Maintenance Association;

And Whereas it is also the intent of the owners of all the lands described in Exhibits "A" and "B" attached hereto to annex to said Road Maintenance Association the lands described in said Exhibit "B" attached hereto;

Now Therefore, this Declaration is made by the undersigned (hereinafter collectively referred to as "Declarant") as record owner of real property in the County of Tehama, State of California, which is delineated as the property being subdivided upon that certain map entitled: TRACT MAP NO. 85-1008, UNIT II, filed in Book X of Maps at pages 14 - 19, Tehama County Recorder's Office, incorporated and made a part hereof (the "properties") for the purpose of creating a Common Road Easement and to establish a Road Maintenance Association that will maintain and upgrade the private road, and in such regard, Declarant hereby declares that all of the properties shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

1. The term "Association", as used herein, shall mean and refer to the Rolling Hills Road Maintenance Association, a nonprofit association.

2. The term "Owner", as used herein, shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any part of the Properties, and its successors and assigns, or a buyer under a contract of sale, but excluding those having such interest merely as security for the performance of an obligation.

3. The term "Properties", as used herein, shall mean and refer to any parcel, lot or other portion of said Rolling Hills Subdivision and such contiguous additions thereto as may hereafter be brought within the jurisdiction of the Association, including, but not limited to, any portions thereof into which said lots or parcels may be further legally divided into additional lots or parcels.

4. The term "Covenants", as used herein, shall refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this Declaration.

5. The term "Common Road Easement", as used herein, shall mean the easement and right of way delineated on said Tehama County Tract Map No. 85-1008, commonly referred to as Rolling Hills Subdivision Unit II.

ARTICLE II
COMMON ROAD EASEMENT

There is hereby created and established, an easement over the Properties as delineated on said Tehama County Tract No. 85-1008, and commonly referred to as Rolling Hills Subdivision. The easement shall be for the purpose of ingress and egress and the installation, maintenance and repair of a roadway and utilities. The easement shall be solely for the benefit of all present and future owners of all or any portion of the Properties, including holders of security interests. The easement shall be mutual, reciprocal, and interdependent between all of the present and future owners of all or a portion of the properties.

The easement created is for the benefit of the owners and this Declaration is not intended to constitute a declaration or offer for public use, but rather is intended for the private use of the owners described herein. The easement created shall inure to the benefit of and shall be binding upon the successors in title to any or all of the Properties and the easement created herein shall be appurtenant to all or any portions of the property described herein.

ARTICLE III
MANAGEMENT

1. All powers relating to management, operation and maintenance of the Common Road Easement, as well as certain rights, duties and powers relating to the remainder of the Properties, shall be vested in the Association. The Association may, from time to time, adopt rules and regulations concerning the Properties in conformance with the general purposes for the establishment of these Covenants.

2. Every person who acquires title, legal or equitable, to any of the Properties shall become a member of the Association; provided, however, that such membership is not intended to apply to those persons who hold an interest in any such lot merely as security for the performance of an obligation. Each person who becomes a member of the Association shall pay an initial transfer and initiation fee of four hundred dollars ($400.00), for each separate parcel of the Properties acquired by that person. Owners shall be entitled to one vote for each lot and/or parcel of the Properties in which they hold an interest so long as such owner is not then delinquent in the payment of any dues or other assessment by the Association. When more than one person holds such interest in any lot, all such persons shall be members of the Association. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one lot of the Properties.

3. The Association may employ or engage a manager and other employees or agents and contract for such services, labor and materials as it may deem reasonably necessary to operate and maintain the Common Road Easement and other areas which the Association may acquire and to discharge its other duties as herein provided.

4. The Association shall be responsible for the maintenance, repair and upkeep of the Common Road Easement located within the properties. The Association shall also be the means for the promulgation and enforcement of all regulations necessary to the governing of the use and enjoyment of such Common Road Easement and such other properties within the Properties as it may from time to time have jurisdiction over, as per this Agreement. The Association shall maintain adequate liability insurance on the Common Road Easement as may be necessary to protect the interest of the owners. SEE ARTICLE VI of this Declaration.

5. The declarant and each subsequent owner of any parcel of the Properties by acceptance of a deed or contract therefore, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association annual assessments or charges (hereinafter called the maintenance and upgrade fund payments) and such special assessments for capital improvements such assessments to be established and collected as provided in the Bylaws of the Association, except that all assessments shall be prorated among the owners in the same manner that votes are allocated (per Article III.2). As an initial maintenance and upgrade fund payment, each owner covenants and agrees to pay two hundred dollars ($200.00) per year per lot of the Properties owned. Said maintenance and upgrade fund payments are personal obligations which come into existence on January 1 of each year. It is a personal obligation of that particular person who owned the lot on January 1st of that year. Said obligations are due on the 1st day of January and delinquent on the 31st day of January of each year.

CHANGED TO APRIL 1

6. Redivision of any original parcel within the project will be subject to initial transfer and initiation fees and maintenance and upgrade fund fees when such parcels are sold or another party obtains title, legal or equitable. Additional voting power will be created upon transfer and initiation to Road Maintenance Association as set forth in this Declaration of Road Maintenance Association.

7. The lands covered by this Restated Declaration of Road Maintenance Association have been annexed to the Tehama County Mosquito and Vector Control District. It is the intent of said District to assess a fee to each parcel to fund the necessary mosquito surveillance and control for the lots in the development. Said Mosquito and Vector Control District and the Rolling Hills Road Maintenance Association have entered into an agreement wherein the Association will collect the annual assessments due the Mosquito and Vector Control District. Each owner covenants and agrees to pay an annual assessment of $20.00 (twenty dollars) per lot to the Association for the fees due the Tehama County Mosquito and Vector control District plus any other fees, charges and increases in assessment fees. Said annual assessment payments are personal obligations which come into existence on January 1 of each year. It is a personal obligation of that particular person who owned the lot on January 1st of that year. Said obligations are due on the 1st day of January and delinquent on the 31st day of January of each year.

ARTICLE IV
AMENDMENTS

The provisions of this Declaration may be amended from time to time upon a majority vote of the owners entitled to vote.

ARTICLE V
ACTIVITIES OF THE ASSOCIATION

1. The Association shall be formed and shall exist only for the convenience of the owners to assist with the maintenance and upgrading of the Properties and to carry out the general purposes of the owners. The association shall not engage in any business or profit-making activities, but shall exist only as an arrangement for the protection of the property interest of the members.

2. The sole income of the Association shall be derived from assessments received from individual members.

3. The Association may do any and all other acts and things that nonprofit Association is empowered to do, which may be necessary, convenient or desirable in the administration of its affairs for the specific and primary purposes and meet its duties as herein set forth. Nothing herein contained shall be construed to give the Association authority to conduct a business for profit on behalf of all of the owners or any of them, or at all.

4. The Association shall be governed by a three (3) person Board of Directors to be selected annually on or before the first Monday in March from among the owners. Any vacancy among the Board of Directors may be filled by appointment by the Board of Directors. The Directors shall be elected and may be removed by a majority of the votes cast by the owners. Each Director shall be elected for a term of two (2) years, but shall have the power to manage the affairs of the Association and make any assessment or increase or decrease any dues or maintenance payment after the initial year, provided that there shall be no increase of more than Twenty Percent (20%) in any one (1) year without the approval of a majority of the owners.

5. The Directors shall meet at least semi-annually at such places and times as the Board elects. A quorum at any such meeting shall require a majority of Directors. On all matters requiring a vote by the Directors, a Majority vote of the Directors present at the meeting shall control. Written notice of all meetings of the Directors shall be given each Director at least five (5) days in advance, provided, however, any director may waive the necessity of notice.

6. All matters requiring an Association vote shall be determined by a majority vote of those present or represented by proxy. Such vote may either be in writing or by a majority of those present at any meeting of the Association called by the Board of Directors or any owner with at least fifteen (15) days prior written notice to all owners who have registered their addresses with the Association. A majority of the owners must be present or represented by proxy to constitute a quorum.

ROAD MAINTENANCE ASSOCIATION ADDITIONAL PROVISIONS

The following are additional provisions of the Road Maintenance Association:

1. Use of the roadway.

Use of the roadway is for ingress and egress to the destination parcels only. The following provisions will apply to the road easement.

No hunting on road easement
No parking of vehicles
No trespassing to adjacent lands
No littering

2. Heavy equipment.

Any vehicle using caterpillar type tracts will be trucked to the destination site, so as to not damage the roadway. Very heavy vehicles such as cement trucks will not be permitted on roadway when the ground is saturated. Saturated defined as more than two inches of rain within the previous 7 days. Any damage done to the roadway by heavy equipment will be paid by the owner transporting the equipment, and not the Road Maintenance Association.

3. Additional Road Maintenance Association Members.

Reservations for additional parcels which may be added onto the roadway use are defined in the CC&Rs. As a condition of use, these parcels must join the Road Maintenance Association.

4. Multiple users on a parcel.

In the event of multiple users, provisions must be made for additional payment of road maintenance expenses. These additional users may be renters, co-owners, live-in relatives, persons living (permanently) in a guest house, multiple families living in a residence, etc. The parcel holder of record will be responsible to pay additional dues for any additional users on their parcel. Additional users will not be entitled to a vote in the management of the Road Association, the vote remains with the owner of record per Article III.2 of this Declaration. The intent of these provisions is to equitably allocate the costs of road maintenance, and assure that the major road users pay their fair share.

5. Insurance

All parcels using the roadway will carry liability insurance, with Rolling Hills Partners named as additional insured. Minimum liability shall be $250,000.00.

ANNEXATION PURSUANT TO APPROVAL

Rolling Hills Partners, a general partnership, is hereby granted for a period of five (5) years from the date hereof, the sole right to enter into annexation agreements with any of the owners of the properties described in Exhibit "C" attached hereto and incorporated herein who desire to become a part of this Declaration of Road Maintenance Association and to have said agreement(s) filed of record (recorded) with the County Recorder. Said annexation agreements may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property, as are consistent with the scheme of this Declaration.

As to all other properties, pursuant to the written consent of the then owners of fifty-one percent (51%) of the Lots subject to this Declaration, and the owner of any property who desires to add it to the scheme of this Declaration and to subject it to this Declaration, a Declaration of Annexation may be filed of record (recorded) with the County Recorder. Said Declaration of Annexation may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property, as are consistent with the scheme of this Declaration.

DECLARATION OF ANNEXATION

Declarants, being the owners of the real property described in Exhibit "A" attached hereto, make this Declaration of Annexation based upon the following:

A. Declarants are the owners of the real property described in Exhibit "A" attached hereto;

B. Pursuant to the provisions of the Amended and Restated Declaration of Road Maintenance Association to which this Declaration of Annexation is attached, Declarants desire to annex the lands described in Exhibit "B" attached hereto and made a part hereof to become a part of this Amended and Restated Declaration of Road Maintenance Association;

Therefore, Declarants hereby declare the following:

A. This Declaration of Annexation is made in compliance with the section entitled "Annexation Pursuant to Approval" of the Amended and Restated Declaration of Road Maintenance Association wherein the owners of 51% (fifty-one percent) of the lots must consent to the annexation of any lands to the Road Maintenance Association;

B. Declarants, by virtue of their signatures affixed to the Amended and Restated Declaration of Road Maintenance Association, and the recording in the Official Records of County of Tehama, of said Declaration, shall deem the annexation to be accomplished and all of the incidents, as set forth in said Declaration, shall be in full force and effect;

C. All the provisions, terms, conditions, obligations and fees of the Amended and Restated Declaration of Road Maintenance Association shall apply to the annexed property as if the annexed property were originally covered by said Road Maintenance Association.

CONSENT TO ANNEXATION

Declarants, being the owners of the real property described in Exhibit "B" attached hereto and made a part hereof, do, by virtue of their signatures being affixed to the Amended and Restated Declaration of Road Maintenance Association, accept the annexation of the real property described in said Exhibit "B" into the Road Maintenance Association, and declare that they, and all successive owners of the real property described in Exhibit "B", will be bound by, and the real property will be subject to, all provisions, terms, conditions, obligations and fees of said Amended and Restated Declaration of Road Maintenance Association.

IN WITNESS WHEREOF, Declarant has executed this Declaration.

DATED: May 5, , 1997

Seal

Rolling Hills Partners, a General Partnership

By: _____
Larry P. Lalaguna, Partner

By: Marv, Phil and Steve Logging, Inc., a California Corporation

By: _____
Marv Lawrence, President

SIGNATURE WITNESSED BY:

_____
L. P. Lalaguna

NOTE: This Declaration must be signed by at least 51 percent of the lot owners. ALL SIGNATURES MUST BE NOTARIZED.

Signatures continued on page 9.