

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

March 2014

ABBREVIATIONS:

CCR: Chevelon Canyon Ranch

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

General:

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

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

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

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

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

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

restriction shall not prohibit a **home office** where business is conducted through telephone, computer, or other electronic means and where the business is not apparent from the exterior of the residence; does not create noise or congestion from traffic or parking; and preserves the residential nature of the subdivision.

Interpretation: “Hobby ranching” is interpreted to mean that the raising and selling of livestock or their byproducts (eggs, milk, hide, fur, etc), or plant products/byproducts (nursery stock, fruit, vegetables, cotton, nuts, etc) must not be the primary source of income for the Property Owner (it must be less than 50% of the owner’s annual income), and the sales activities must be restricted to a home office without direct customer contact (e.g., selling mail-order seeds or taking phone orders to deliver eggs to an offsite customer is acceptable; selling vegetables or eggs from an on-site store or stand is not acceptable). No revenue-bearing ranching is allowed that provides more than 49% of the owner’s annual income. Our definition of a “commercial business” is anything that brings in revenue other than ranching, and we consider it acceptable at any income percentage level provided that it’s restricted to a home office with all business activities transacted via telephone or computer without direct personal contact with customers on the property. (e.g., computer accounting or website management would be acceptable; renting-out rooms to the public, or providing public Day Care or Assisted Living is not acceptable since the customers would be on the premises). Watching/babysitting one or two neighbor’s children or family member for mad money; no problem.

CC&Rs Para 5H (page 6): ... *A Parcel may be used for **non-commercial ranching**, including the use and keeping of a **reasonable number of horses and cattle** provided the Parcel has been fenced in as dictated by the purchase agreement....*

Interpretation: “Non-commercial ranching” is taken to mean the same as “hobby ranching” above. Along with horses and cattle, we infer that this also includes goats, sheep, llama, buffalo, and alpacas (please request Association approval for any other 4-legged animal not listed). Swine is expressly not allowed. A “reasonable number” of these larger animals is construed to mean up to four (4) total on Parcels of 8 acres or less, but no more than one for each two (2) acres on Parcels over 8 acres, not to exceed a combined total of 30 on any sized Parcel. A “reasonable number” of smaller animals/birds, such as rabbits, chickens, ducks, dogs and cats, is construed to mean up to a total of 12 on Parcels of 12 acres or less, but no more than one per acre on Parcels above 12 acres, not to exceed 50 on any sized Parcel. Adjacent Parcels owned by the same person is considered one combined Parcel for the purposes of animal headcount. Proper fencing is required for all animals. Unless you are a member of a sub-association, or are under some kind of agreement with a sub-division intra-Parcel developer, the “purchase agreement” fencing constraint comment doesn’t make sense, and thus can be ignored. Our CC&Rs define our policies. Noise and odor control must also be maintained in all instances.

Approved:
 For the Board
President
Board of Directors