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7 SUPERIOR COURT OF THE STATE OF CALIFORNIA
8 COUNTY OF MADERA

9 GREENHILLS MASTER ASSOCIATION, a
nonprofit corporation,

10 Plaintiff,

11 v.

12 THE BOARD, dba The Water Resource
13 Council, an unincorporated association;
SIERRA GOLF MANAGEMENT, a
14 corporation; PHEASANT RUN, LLC, a limited
liability company; MARTIN BOONE, an
15 individual; SHEILA STOCKER, an individual;
DAN BACCI, an individual; SUZANNE
16 PRICE, an individual; ANDREW
CREIGHTON, an individual; BILL
17 VANPATTEN, an individual; PATRICK
GEARY, an individual; THE LAKES RV
18 PARK, a California nonprofit mutual benefit
corporation; THE VILLAS OWNERS
19 ASSOCIATION, a California nonprofit mutual
benefit corporation; and DOES 1 through 50,
20 inclusive,

21 Defendants.
22

Case No. MCV095445

FIRST AMENDED COMPLAINT FOR:

- (1) Rescission;
- (2) Breach of Covenant of Good Faith & Fair Dealing;
- (3) Breach of Contract;
- (4) Breach of Fiduciary Duty;
- (5) Aiding And Abetting Breach of Fiduciary Duty;
- (6) Enforcement of Covenants Post-Rescission;
- (7) Promissory Estoppel;
- (8) Restitution by Unjust Enrichment
- (9) Fraud;
- (10) Penal Code Section 496;
- (11) Accounting;
- (12) Appointment of A Receiver;
- (13) Nuisance;
- (14) Negligence Per Se – Violation of Penal Code Section 597; and
- (15) Fraud - Concealment

Action Filed: June 20, 2025
Trial Date: None

23 **SUMMARY OF ALLEGATIONS**

24 1. This First Amended Complaint arises from a protracted scheme orchestrated by
25 Defendant Martin Boone (“Boone”) and his affiliates to exploit his retained control over essential
26 water features in the Greenhills community, culminating in the creation and manipulation of the
27 Water Resource Council (“WRC”) to unjustly burden the Greenhills Master Association
28 (“Plaintiff” or “Greenhills”) and its approximately 905 homeowners. Developed in the 1990s by

1 Boone, who then owned both the community and the adjacent Pheasant Run Golf Course (now
2 owned by Pheasant Run, LLC), the Greenhills neighborhood in Chowchilla, California, features
3 lakefront homes that rely on the serenity and value provided by man-made lakes, golf course view
4 properties, and common areas accessible to all residents. Boone strategically retained easements
5 encompassing five wells, using his leverage over the water resources for decades to extract
6 concessions from the HOA, including financial and operational favors that disproportionately
7 benefited his interests and those of the golf course.

8 2. In 2021, the Greenhills board entered into an agreement with Boone, Pheasant Run,
9 LLC, and other HOAs to establish the WRC as a purportedly independent third-party entity tasked
10 with managing water resources. Defendants, Sheila Stocker, Dan Bacci, Suzanne Price, and
11 Andrew Creighton, all members of the WRC, actively participated in and facilitated the wrongs
12 detailed herein. Composed of representatives from the agreement's parties, the WRC immediately
13 assessed Greenhills with substantial capital improvement costs for water systems and delivery
14 infrastructure that almost exclusively benefited the golf course, forcing the HOA to pay over \$1.4
15 million since the WRC's inception for minimal reciprocal value. This financial extraction was
16 compounded by the WRC's self-serving amendment to its internal structure, requiring all
17 proposed nominees to be approved by the existing board, which led to the WRC refusing to
18 approve the newly elected Greenhills Board president and vice-president as replacements,
19 effectively disenfranchising the HOA from meaningful participation.

20 3. When Greenhills challenged the WRC's legitimacy and authority, Boone retaliated
21 by threatening to terminate water supply to the lakes, an action that would drastically depreciate
22 the value of lakefront homes and the community at large. This coercive tactic was further
23 evidenced in September 2025, when a massive fish die-off occurred in the lakes due to the
24 deliberate deactivation of oxygenators—an act that only Boone, as the controlling party over the
25 water features, had the capability to execute. Through these actions, Defendants collectively
26 engaged in breaches of fiduciary duty, fraud, unjust enrichment, and violations of California law
27 governing homeowners' associations and water rights, causing irreparable harm to the Greenhills
28 community and necessitating judicial intervention to dissolve the WRC, recover damages, and

1 restore equitable control over shared resources.

2 **PARTIES, VENUE, AND JURISDICTION**

3 4. Plaintiff GREENHILLS MASTER ASSOCIATION (“Greenhills”), is, and at all
4 relevant times herein was, a California nonprofit mutual benefit corporation with its principal
5 place of business in the County of Madera, California.

6 5. Defendant THE BOARD, DBA THE WATER RESOURCE COUNCIL (“WRC”)
7 is an unincorporated association formed by Greenhills, Pheasant Run, The Villas Owners
8 Association, and The Lakes RV Park Owners Association under the “Agreement to Grant
9 Easements and Licenses and Amend Covenants to Supply Water and Lake Maintenance” (the
10 “Agreement”) and its First Amendment (the “First Amendment”).

11 6. Defendant SIERRA GOLF MANAGEMENT, INC. (“SGM”) is a California
12 corporation that provides golf course and lake maintenance services, including chemical
13 treatments and billing, to Plaintiff and other common-interest developments. SGM operates the
14 Pheasant Run Golf Course in Chowchilla, California under an agreement with Pheasant Run LLC.

15 7. Defendant PHEASANT RUN, LLC is, and at all relevant times was, a California
16 limited liability company that owns the Pheasant Run Golf Course in Chowchilla, California.
17 Pheasant Run is a party to the Agreement and the First Amendment.

18 8. Defendant MARTIN BOONE is an individual and managing member of Pheasant
19 Run. He served as the initial President of the WRC and oversaw contracting with SGM.

20 9. Defendant SHEILA STOCKER is an individual and President of the WRC who
21 aided SGM’s concealment.

22 10. Defendant DAN BACCI is an individual, Chief Operating Officer of SGM, and a
23 member of the WRC. He prepared and submitted false invoices and concealment correspondence.

24 11. Defendant SUZANNE PRICE is an individual and Secretary of the WRC. She
25 participated in approving budgets and misrepresenting cost allocations.

26 12. Defendant ANDREW CREIGHTON is an individual and former WRC member
27 whose appointment was never properly authorized by Greenhills and who voted on SGM’s
28 improper bills.

1 13. Defendant BILL VANPATTEN is an individual and former WRC member whose
2 appointment was never properly authorized by Greenhills and who voted on SGM's improper
3 bills.

4 14. Defendant PATRICK GEARY is an individual and former WRC member whose
5 appointment was never properly authorized by Greenhills and who voted on SGM's improper
6 bills.

7 15. Defendant THE LAKES RV PARK (the "Lakes"), is, and at all relevant times
8 herein was, a California nonprofit mutual benefit corporation with its principal place of business in
9 the County of Madera, California.

10 16. Defendant THE VILLAS OWNERS ASSOCIATION (the "Villas") is, and at all
11 relevant times herein was, a California nonprofit mutual benefit corporation with its principal
12 place of business in the County of Madera, California.

13 17. The true names of DOES 1 through 50, inclusive, are unknown to Plaintiff at this
14 time. Plaintiff sues those defendants by such fictitious names pursuant to Code of Civil Procedure
15 section 474. Plaintiff is informed and believes, and based thereon allege, that each of the
16 defendants designated as a DOE is legally responsible for the events and happenings referred to in
17 this complaint, and unlawfully caused the injuries and damages to Plaintiff alleged in this
18 complaint. Plaintiff is informed and believes, and based thereon allege, that at all times mentioned
19 in this complaint, defendants were the agents and/or employees of their codefendants and in doing
20 the things alleged in this complaint were acting within the course and scope of such agency and
21 employment. Plaintiff is informed and believes, and based thereon allege, that at all times
22 mentioned in this complaint, defendants, and each of them, knew the wrongful conduct alleged
23 herein was being or would be committed by the other defendants against Plaintiff, gave substantial
24 assistance or encouragement to the other defendants, collectively agreed to and intended that such
25 wrongful acts be committed against Plaintiff and their conduct was a substantial factor in causing
26 harm to Plaintiff.

27 18. Jurisdiction and venue are proper in the Superior Court of California, County of
28 Madera because the contract at issue was to be performed here. (California Code of Civil

1 Procedure sections 394, 395.) The amount in controversy exceeds the jurisdictional minimum of
2 the Court.

3 **FACTUAL BACKGROUND**

4 **I. Community Development**

5 19. In or about 1994, Greenhills Holdings, LP, a California limited partnership, was the
6 sole owner of real property located in the City of Chowchilla, County of Madera, State of
7 California, commonly referred to as Tract No. 93-02 Greenhills Estates and Golf Club, which was
8 contemplated as a master-planned golf course community with numerous man-made lakes
9 designed to supply water to the golf course and enhance the aesthetic appeal of the community and
10 desirability and value of certain residential homes developed along the lakesides.

11 20. During the 1990s, advertising materials prominently featured lakefront views of
12 certain residences in the community and marketed the lakes as key amenities to attract buyers,
13 promising prospective homeowners serene lake views, recreational access, and enhanced property
14 values tied to these water features, with representations that the lakes would remain filled and
15 accessible, ensuring long-term enjoyment and value for homeowners who purchased lots based on
16 these promises.

17 21. The development of Greenhills Estates was uneven; the original developer faltered,
18 leaving the project in financial distress, at which point Defendant Martin Boone, through
19 Sherman-Boone Real Estate, assumed the debt and control of the project, eventually becoming a
20 principal developer.

21 22. Boone subsequently subdivided development rights and obligations among
22 multiple developers, some of whom succeeded while others failed, facing accusations of fraud or
23 losing holdings to liquidation.

24 23. In 1995, Greenhills Estates was established as a 905-unit gated housing association
25 located in Chowchilla, California, with central amenities including a public golf course and a
26 system of man-made lakes that serve as both recreational and aesthetic anchors for the community.

27 24. As residential lots were developed and sold, Boone, through his entity Pheasant
28 Run, LLC, maintained ownership and control over the golf course and strategically retained

1 control to the Assessor's Parcel Numbers (APNs) encompassing key lakes, allowing him to
2 leverage water resources for his benefit and those of the golf course, although Pheasant Run does
3 not own the land where the original wells are located but instead purports to control them through
4 easements or other rights.

5 25. The community's water system has always been precarious, originally supplied by
6 five agricultural wells that were aging and, by modern standards, not especially deep—averaging
7 approximately 400 feet—leaving them vulnerable to depletion, mechanical failure, or reduced
8 output. Nevertheless, the Community's Covenants, Conditions, and Restrictions (CC&Rs) purport
9 to restrict the Association's ability to drill or operate wells within the project, reserving that
10 authority to the Declarant thereby attempting to place control of the wells—and the community's
11 water supply—outside the reach of the Greenhills Master Association.

12 26. Commencing in or around 2003, as development progressed and ownership of
13 residential lots splintered among individual owners, Boone, through Pheasant Run, LLC, entered
14 into a series of recorded agreements to govern water supply and related obligations.

15 (i) On September 3, 2003, a Lake Water Supply Agreement was recorded under
16 Document No. 200306330, between Pheasant Run, LLC, and FBL 1998, LLC,
17 implicating the Block 3 Lake, which obligate Pheasant Run to provide water from
18 the Water Well (defined as the water well located north of Avenue 26) for storage
19 in man-made interior lakes. It specifically states the obligation to supply water is
20 not limited to the Block 3 Lake and explicitly applies to other lakes that may be
21 created which may draw on and rely on the same source for water.

22 (ii) On October 14, 2003, a Lake Water Supply Agreement was recorded under
23 Document No. 200304047, between Pheasant Run, LLC, FBL 1998, LLC,
24 McCombs Family Trust dated March 10, 1989, Chowchilla Cascades, LLC, Jon M.
25 Lefebvre, Alice L. Schmitt-Lefebvre, and Rob Hussey, implicating the Block 8
26 Lakes, and referencing the intent to transfer the Block 8 Lake to the Greenhills
27 Master Association.

28 (iii) In April 2004, California Greenhills Estates, LLC and Pheasant Run, LLC entered

1 into a Block 10 Well, Water Pipeline, and Sewer Pipeline Agreement to operate a
2 water well and water pipeline, which was recorded on May 4, 2004, with the
3 Madera County Recorder as Document No. 2004018691.

4 (iv) On June 4, 2004, a Lake Water Supply Agreement was recorded under Document
5 No. 200403782, between Pheasant Run, LLC, on the one hand, and Greenhills
6 Estates, LLC, a California Limited Liability Company, and Wellington Corporation
7 of Northern California, a Minnesota Corporation, on the other, implicating the
8 lakes known as the CGE Lakes and Wellington Lakes.

9 (v) On January 6, 2006, a Lake Water Supply Agreement was recorded under
10 Document No. 200600672, between Pheasant Run, LLC, and California Greenhills
11 Estates, LLC, implicating Water Feature #10.

12 27. The aforementioned agreements (collectively, the "Covenants") contains common
13 terms, including: (i) obligating Pheasant Run, LLC, to supply water, with limited exceptions, to
14 the lake or water feature identified therein; (ii) requiring costs for the water system to be split in
15 proportionate shares measured from metered flow of water (except for the 2006 agreement, which
16 obligated Pheasant Run, LLC, to pay for 98% of the maintenance costs); (iii) providing the
17 beneficiaries the right to audit the meter and confirm calibration to ensure accurate charges; (iv)
18 requiring notice of intent to incur expenses for well maintenance; (v) being recorded against and
19 running with the land, binding upon successors; (vi) containing provisions that are evergreen in
20 nature; and (vii) classifying the obligations therein as covenants.

21 **II. Post Covenant Recordation Uncertainty**

22 28. Between approximately 2006 and 2020, following recordation of the Covenants,
23 the Greenhills community experienced ongoing uncertainty and friction regarding water
24 governance, cost-sharing, and maintenance responsibilities. In the early years of development,
25 developers dominated the Greenhills Master Association's governing structure.

26 29. As the community grew and homeowners secured representation on the Board,
27 tensions emerged between the Greenhills and the Pheasant Run Golf Course, owned by Pheasant
28 Run, LLC, Defendant Martin Boone's company.

1 30. For a period, the golf course was managed under contract by Defendant SGM,
2 which eventually assumed a leasehold interest in the course. The Christensen family, principals of
3 SGM, are longtime figures in California golf course operations; Defendant Andrew Creighton's
4 wife is the niece of SGM's owner.

5 31. During this era, the Association was managed by Jensen Property Management,
6 and records reflect contentious disputes over cost-sharing arrangements, particularly concerning
7 water supply and lake maintenance. These disputes often resulted in refusals to negotiate or pay,
8 leaving vendors stranded, contracts lapsing, and vital services like lake maintenance and irrigation
9 in limbo.

10 32. Nevertheless, in practice, the HOA and Pheasant Run would negotiate an annual
11 cost contribution for Greenhills' share to maintain the water features in the community. Although
12 Pheasant Run incurred the majority of the expense related to these features – given that they serve
13 as irrigators for the entire golf course – the HOA frequently found itself paying a substantial share
14 of the expense. Annually, Greenhills' payment amount from 2018-2020 was approximately one
15 hundred and fifty thousand dollars (\$150,000.00).

16 33. Individuals on both sides recognized the need for a more formalized structure to
17 provide predictability, continuity, reduce deadlocks, stabilize vendor relations, and resolve
18 recurring battles over water supply and lake upkeep. An early version of a water agreement, circa
19 2019–2020, reflected a cooperative management system attempting to balance the rights of the
20 Association with those of the golf course.

21 34. However, in 2020, sweeping changes occurred, including a new property
22 management company, a new HOA attorney, and a new Board majority, which shifted the balance
23 away from cooperation. Greenhills, always the subject of electoral whims and a generally
24 complacent community of homeowners, could never be as organized or focused as its
25 counterparties to the well sharing agreement given their stable leadership structure over multiple
26 decades.

27 35. Indeed, Greenhills is now informed and believes that around 2019 Pheasant Run
28 and SGM were aware of the fact that multiple water wells within the Greenhills community which

1 supplied the necessary water for golf course operations were aging and needing to be replaced.
2 Recognizing the substantial cost to replace five wells that generated significant water, Greenhills
3 is informed and believes Pheasant Run and Boone concocted the idea for the WRC, as detailed
4 below, as an effort to offload the substantial forthcoming capital improvement costs onto
5 Greenhills.

6 **II. The Establishment of the WRC**

7 36. In or around 2021, Defendant Martin Boone, through Pheasant Run, LLC, proposed
8 entering into a formal agreement which could create an oversight committee (the “Water Resource
9 Council” or “WRC”) to address the ongoing water disputes, positioning it as a solution to the
10 community's vulnerabilities while concealing his intent to consolidate control over water resources
11 now that he had sold off the developable residential lots.

12 37. Having divested himself of the residential land through sales that promised buyers
13 enduring lake views and amenities, Boone adopted a position that allowed him to exploit the water
14 system for the exclusive benefit of the golf course, extracting disproportionate financial
15 contributions from the Greenhills and threatening to withhold water essential to the lakes'
16 maintenance and the community's promised serenity. Boone pitched the idea of a water agreement
17 with shared governance as a solution to ensure enduring water supplies.

18 38. Defendant Sheila Stocker, serving as Greenhills CFO and a director at the time of
19 the negotiation, along with then-serving directors Bill VanPatten and Patrick Geary, actively
20 campaigned in support of the proposed agreement, repeatedly representing to homeowners that it
21 was the only viable mechanism to guarantee and secure perpetual water access for the Greenhills
22 community. Defendant Dan Bacci, who was later elected to the Greenhills Board in October 2022,
23 likewise supported the proposed agreement and echoed these assurances.

24 39. In communications, meetings, and promotional materials, Greenhills directors
25 emphasized that without the WRC, the lakes faced imminent risk of drying up, property values
26 would plummet—particularly for the lakefront homes sold with explicit promises of scenic views
27 and tranquility—and the community would be left vulnerable to arbitrary cutoffs by Boone or
28 future golf course owners.

1 40. Stocker, in particular, framed the agreement as an essential fiduciary obligation,
2 stating that the lakes were common-area amenities mandating maintenance under California law,
3 and that the agreement represented the sole path to “guaranteed water rights” that “cannot be
4 denied, nor can it be turned off at the whim of any other entity,” even in the event of a golf course
5 sale.

6 41. These representations were reiterated across multiple forums where directors
7 dismissed alternatives as “absurd” or unfeasible, insisting that the agreement would provide cost-
8 neutral stability. Critically, during this campaigning and negotiation process, the then-serving
9 Greenhills directors failed to disclose the existence or terms of the preexisting Covenants, which
10 already imposed binding obligations on Pheasant Run, LLC, to supply excess water to the lakes at
11 equitable, metered costs, with rights to audit and notice provisions designed to prevent overbilling
12 and ensure fair allocation based on actual usage.

13 42. This nondisclosure deprived homeowners of the knowledge that enforceable,
14 recorded covenants already protected the community’s water interests without the need for a new
15 agreement, which instead served to override these protections in favor of Boone's interests.

16 43. The then-serving Greenhills directors repeatedly misrepresented—whether
17 intentionally or through gross negligence—the true purpose and effect of the WRC, portraying it
18 as a neutral, independent body of “seven concerned people” with “no power, no funds, nor any
19 other leverage” over the HOAs, when in fact its structure vested disproportionate control in
20 Pheasant Run and its allies, enabling self-serving amendments, secretive operations, and financial
21 extractions that exclusively benefited the golf course.

22 44. These misrepresentations included assurances that the WRC would equitably
23 distribute costs and secure water indefinitely, while concealing that it would allow Boone to assess
24 massive capital improvements—such as well developments benefiting only the golf course—
25 directly to Greenhills at inflated shares not tied to metered usage, contrary to the Covenants'
26 equitable formulations.

27 45. In August 2021 Greenhills, the Villas Owners Association (the “Villas”), an HOA
28 located adjacent to Greenhills, the Lakes RV Park Owners Associations (the “Lakes RV), also an

1 adjacent HOA, and Pheasant Run entered into the Agreement To Grant Easements and Licenses
2 And Amend Covenants To Supply Water and Lake Maintenance (the “Water Agreement” or the
3 “Agreement”). A true and correct copy of the Water Agreement and the amendment thereto is
4 attached to this complaint as **Exhibit 1**. The Agreement was entered despite Greenhills HOA’s
5 Bylaws which prohibit the Board from entering contracts longer than one year without member
6 approval. The Water Agreement purports to bind Greenhills by indefinitely requiring the
7 employment of Sierra Golf Management (an affiliate of Boone) as the lake management company
8 and perpetually obligating Greenhills to pay money for lake expenses charged by the oversight
9 council.

10 46. The Agreement created the Water Oversight Board, later known as the Water
11 Resource Council (WRC), which was to be compromised of proportional representation from each
12 of the four parties: Greenhills, the Villas, the Lakes RV, and Pheasant Run. The sales pitch was
13 the oversight board would act equitably and in all the parties’ best interest to ensure costs were
14 fairly shared. Undisclosed by the Greenhills directors at the time of entering into the Water
15 Agreement is the fact that it purports to require cost contributions based on lake surface area,
16 assuming full capacity, with Greenhills at 66.77%, Pheasant Run at 25.56%, Villas at 5.60%, and
17 Lakes RV at 2.07%; a significant deviation from the Covenants which were based on actual usage.

18 47. Greenhills’ initial representatives were Bill VanPatten, Sheila Stocker, and Patrick
19 Geary. Almost immediately, problems arose: the directors began holding private, unannounced
20 meetings and making financial commitments on behalf of the Association, regarding themselves
21 as operating outside the HOA’s notification and open-meeting requirements.

22 48. Defendants Martin Boone and Suzanne Price also sat on the WRC, which, coupled
23 with the other conflicted directors, provided Boone with a governing majority to extract
24 substantial financial benefits from Greenhills. Indeed, Price, a realtor, was, on information and
25 belief, a former Boone employee who had an ownership interest in one of Boone’s company.

26 49. The WRC’s actions were always shrouded in secrecy and before the board of
27 Greenhills could be replaced, the parties to the initial Water Agreement signed a First Amendment
28 thereto. The primary effect of the First Amendment was to make it more difficult to remove

1 members or fill vacancies, entrenching incumbents and weakening accountability, and effectively
2 granting the existing WRC board veto authority over new nominees. Specifically, the First
3 Amendment provides that each member may appoint a replacement nominee, “except that such
4 appointment to fill a vacancy shall be subject to the approval of at least 66 2/3 percent of all of the
5 other members then serving on the Board.” This clause has prohibited Greenhills from appointing
6 directors who seriously undertake their fiduciary obligations and stand up to Boone’s interests.

7 50. The Amendment also had the effect of purporting to broaden Pheasant Run’s
8 control, folding new wells (even those funded largely by Associations) into Pheasant Run’s
9 licensing regime, granting Greenhills only a revocable license, not ownership or easement rights,
10 despite bearing 66.77% of drilling costs.

11 51. The Agreement allowed adjustments for actual usage if two-thirds of the WRC
12 voted to implement measurement, but this safeguard was never invoked

13 **III. The WRC’s Illegal and Self-Serving Acts**

14 52. The WRC was immediately plagued by conflicts of interests and utilized its
15 authority to pass substantial costs which benefitted Pheasant Run to Greenhills. At the time of
16 entering the Agreement, legacy wells were failing and the WRC became a vehicle for channeling
17 funds into new well development, disproportionately burdening Greenhills without ownership or
18 control.

19 53. Of the five remaining wells which supplied water to the lakes and golf course, three
20 were non-operational and two had significantly reduced output. In March 2021, before the WRC
21 was even created, its future members met with the City Council for the City of Chowchilla and
22 City staff to discuss the drilling of a new irrigation well—what would become known as the
23 Poppy Hills well.

24 54. The WRC representatives informed the City that over the five prior years the golf course
25 had experienced well failures and inefficient production. To alleviate the water concerns, it
26 requested a permit to install a new water well with a depth of 800 feet which would pump 800
27 gallons per minute, for 8 hours a day.

28 55. The City ultimately approved the project and allowed for the development of the

1 well on land owned by Pheasant Run. The Poppy Hills well was merely announced at two
2 Greenhills Board meetings—together with an announcement that a corresponding line item would
3 be added to the Association’s reserve study—but no vote was ever taken by the Greenhills Board.
4 The only formal approval of the expenditure occurred at the WRC, and this occurred before the
5 Greenhills Board signed the First Amendment to the Water Agreement. In doing so, Greenhills’
6 designees on the WRC approved of the expenditure and permitted development of the well on
7 Pheasant Run’s land without securing any guarantee of water rights therefrom or proper approvals
8 from Greenhills. And despite not obtaining any recorded right to benefit from the well, Greenhills
9 was assessed (and paid) over \$600,000 to fund its construction. Indeed, Pheasant Run takes the
10 position that it has the sole right, authority, and discretion to cease water supplies to the lake.

11 56. In furtherance of the scheme to exploit Greenhills HOA's dependency on shared
12 water resources, Defendants Boone, Pheasant Run, LLC, and the WRC misrepresented the
13 ownership and security of the well known as Kona Court. Specifically, the WRC, Pheasant Run,
14 and Boone sought Greenhills’ funding for the drilling of a new well on land that it claimed it
15 owned. Pheasant Run, Boone, and the WRC specifically represented the new well would be
16 drilled on land owned—through fee simple title or easement—by Pheasant Run and would
17 provide an additional source for community water. The WRC approved the expenditure.

18 57. Records reflect, however, that the location for the where the well was to be drilled
19 is not owned by Pheasant Run, but instead by “Kona Court, Inc.” Kona Court is a defunct and
20 suspended shell corporation that owns the underlying real estate but holds no active status with the
21 California Secretary of State. Boone, as the controlling principal of Pheasant Run and affiliate of
22 Kona Court Inc., knowingly directed or allowed this registration, concealing the fact that Kona
23 Court Inc. is encumbered by a deed of trust securing an unpaid loan and a default judgment
24 renewed in 2021 by creditor Tisha S. Efthymiou in Santa Clara Superior Court Case No.
25 110CV186884, exposing the well to potential foreclosure and sale to a third party unbound by any
26 cost-sharing limits or obligations to supply water to the lakes.

27 58. Compounding this deception, the initial invoice from Kechichian Well Drilling, dated
28 December 4, 2024, was issued to Kona Court Inc. for the full \$104,000 cost, but following

1 community controversy on social media platforms like Nextdoor, a “corrected” invoice was
2 backdated to the same date and reissued in February 2025 to “SGM, Inc. / Pheasant Run” in care
3 of Unity, Inc., Greenhills HOA’s managing agent. This revised invoice was withheld from the
4 Greenhills Board until May 2025, despite repeated inquiries, allowing Boone and the WRC to
5 demand an additional \$55,000 in advance payments from Greenhills HOA without disclosing the
6 precarious ownership.

7 59. These actions by Boone, Pheasant Run, and the WRC constitute breaches of
8 fiduciary duty, fraud by concealment, and unjust enrichment, as they knowingly extracted over
9 \$70,000 from Greenhills HOA for a capital improvement over which Pheasant Run holds no
10 outright ownership and which remains vulnerable to creditor claims or revocation.

11 a. **The Edinburgh Scam**

12 60. Underscoring the nature of the problems which plagued the Greenhills Board that
13 entered into the Water Agreement is the payment of funds of the Edinburgh well. Within the
14 Greenhills community there exists an unannexed property which was initially slated to be
15 developed as a park. However, a home was built on it and the property was situated near a
16 backyard well that is owned by Pheasant Run. The well lay dormant and the homeowner
17 repeatedly filed closure requests with Madera County, contending it constituted an abandoned
18 well. Pheasant Run persistently objected, promising a rehabilitation project was forthcoming.

19 61. In June 2021, as part of the promised rehabilitation, Pheasant Run assessed the
20 Association a 69% charge on a \$25,000 project to allegedly install a new pump and motor.
21 Greenhills, plagued by the same board riddled with conflicts, dutifully approved the expenditure
22 for just over \$17,000.00. Yet utility records show that from July 2021 onward there was no
23 activity from the well.

24 62. In 2023, there were renewed efforts to close the well, which Pheasant Run resisted.
25 In 2025, as the dispute came to a head, the WRC proposed spending an additional \$50,700 to have
26 the well rehabilitated; Greenhills’ share would yield an obligation to contribute \$33,385.00.
27 Defendants Stocker and Creighton and four other members of the WRC voted in favor of the
28 expenditure. The sole holdout was Greenhills representative David Righthouse, who had been

1 allowed membership on a “probationary basis” but was then summarily expelled by the WRC in
2 May 2025 after only two months tenure.. Greenhills, however, rejected the charge and explaining
3 the fraud related thereto. On September 2, 2025, the Edinburgh well was permanently
4 decommissioned. The WRC has nevertheless demanded that Greenhills assume a portion of the
5 closure costs, despite the fact that the Edinburgh well was non-operational at the time of the
6 WRC’s formation and never formed part of the water delivery infrastructure serving the Greenhills
7 community lakes.

8 63. Since the creation of the WRC not only has there been substantial one-time
9 expenditures which disproportionately burden Greenhills to benefit Boone, but Greenhills has also
10 been forced to pay significantly more money for annual lake maintenance. Whereas prior to the
11 creation of the WRC, Greenhill would typically pay approximately \$150,000 annually for its share
12 of the lake, the WRC has assessed approximately \$275,000 in charges. This includes requiring
13 Greenhills pay for 66.77% of all utility costs, including for the Poppy Hills well, even though the
14 majority of this expense is incurred by Pheasant Run to irrigate its golf course.

15 64. Moreover, Pheasant Run employees have admitted that while Greenhills is being
16 charged 66.77% for chemicals, almost all of them are utilized to benefit the golf course.
17 Greenhills also pays fixed monthly costs of \$7,883.97 for alleged labor expenses based on a 2021
18 budget, but that number has never been updated or justified, despite demands for supporting
19 records, minutes, and budgets to which Greenhills was entitled under the Agreement; all such
20 demands were denied, leaving the Association unable to verify or contest the charges.

21 65. In May 2025, having uncovered these inequities—including an analysis showing
22 annual overcharges of \$100,000 to \$150,000 —Greenhills withheld further fixed cost payments
23 until the budget was produced and verified.

24 66. In retaliation, on June 2, 2025, the WRC cut off water deliveries to the Greenhills
25 lakes without notice, confirmed on June 4 as a response to the alleged “breach,” causing the
26 cascading waterfalls to go silent and raising immediate ecological concerns.

27 67. When Greenhills filed suit and sought a temporary restraining order (TRO) against
28 further retaliation, the TRO was denied; a week later, the WRC demanded an additional

1 \$55,488.37 for Kona Court development, again threatening water shutoff if unpaid. Critically, the
2 majority of the members of the WRC who voted in favor of these malicious and retaliatory actions
3 (including fraudulent costs) are associated or affiliated with Boone, including Suzanne Price who
4 serves as the WRC representative on behalf of The Lakes. On information ad belief, Boone has
5 sufficient ownership or control over properties within The Lakes to select The Lakes' designee to
6 the WRC.

7 68. Greenhills' temerity to file suit challenging the WRC's legitimacy and actions
8 caused Boone to threaten an emptying of the lakes entirely, terminating all water supply, thereby
9 proving that the prior representations of "guaranteed water rights" that "cannot be denied" were
10 false and underscoring the retaliatory nature of Defendants' conduct.

11 **IV. The Fish Die-Off**

12 69. The malice culminated in or around September 2025. Water Feature 14 is a
13 community lake which housed a substantial fish population. Greenhills receives the utility bill for
14 the lake, although only Boone has control over when or whether power is supplied to the lake.
15 Within each lake there exist re-circulators and aerators which serve as vital oxygen sources for the
16 fish. In calendar year 2024, records from the utility company show that the aerators were never
17 turned off for more than four days in a row. Yet after seeking the TRO, and Boone's threats of
18 retaliation, from approximately September 12, 2025 through September 21, 2025, the aerators
19 were completely inactive. The fish die off began on September 19 and community concerns
20 reached an apogee on September 22, 2025, when the smell and sight of scores of dead fish
21 prompted multiple homeowners to inquire regarding the cause. Not coincidentally, after seeing
22 the damage caused from the sudden, unilateral, and acute deprivation of oxygen, the aerators
23 resumed on September 23, 2025. By intentionally killing numerous fish as a retaliatory tactic,
24 Boone proved the falsity of his own declaration submitted to this court where he claimed, "the
25 lakes are actively maintained under the existing lake management plan."

26 70. These acts by Defendants, including breaches of the Covenants, fiduciary duties,
27 fraud, unjust enrichment, and violations of California HOA and water laws, have caused over \$2
28 million in damages, lake devaluation, and ecological harm.

1 **FIRST CAUSE OF ACTION**

2 **Rescission**

3 **(Against Pheasant Run, The Lakes, The Villas)**

4 71. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
5 this First Amended Complaint.

6 72. The Water Agreement subject to rescission pursuant to California Civil Code §
7 1689 on multiple, independent grounds. First, the Agreement violates Greenhills' Bylaws which,
8 with limited exceptions not present here, preclude agreements purporting to bind the Association
9 for a period of more than one year. The Agreement, which imposes perpetual easements, an
10 "irrevocable" license, and indefinite financial obligations, violates this prohibition. No
11 membership approval was sought or obtained, rendering the Agreement null and void from its
12 inception. The then-existing Board of Directors which entered into the Agreement lacked the
13 authority to enter into it, and the Agreement was void *ab initio*.

14 73. The Water Agreement is also subject to rescission on the grounds that there is a
15 failure of consideration as to Greenhills. It provides no meaningful benefit that did not already
16 exist at law or in equity, including the enforcement of the Covenants, but also seeks to hold
17 Greenhills responsible for substantial capital improvement projects and annual operating expenses.
18 Indeed, the central benefit Plaintiff allegedly bargained for—a secure, stable water supply—was
19 rendered illusory by the Agreement's own terms, which reserve for Pheasant Run the absolute
20 discretion to withhold all water that does not constitute "Excess Water." (Water Agreement § 2.)
21 This failure of consideration was total, as Defendants themselves have proven by their subsequent
22 conduct, including shutting off water to Plaintiff's lakes and threatening to empty them entirely,
23 thereby admitting that Plaintiff's purported "license" to water was, in fact, worthless. Pheasant
24 Run and members of the WRC have taken the position that Greenhills has no entitlement to any
25 water in the lakes, derived from the Poppy Hills well, or other pre-existing sources of water,
26 further proving Greenhills has received no consideration. It has failed or whole or in part through
27 no fault of Greenhills.

28 74. Rescission is also independently appropriate because permitting the Agreement to

1 stand would prejudice the public interest under Civil Code § 1689(b)(6), as it perpetuates an illicit
2 governance structure that enables unchecked conflicts of interest, environmental degradation,
3 violates the public policies underpinning the Davis-Sterling Act, and unfair subsidization of
4 private golf course operations at the expense of residential HOAs, contrary to California’s public
5 policies favoring transparent resource management and fiduciary accountability in community
6 associations.

7 75. Finally, rescission is warranted because Plaintiff’s consent was obtained through
8 fraud, concealment, and misrepresentation. Defendants, acting in concert with, and through,
9 Plaintiff’s then-serving directors (including Defendants Stocker, VanPatten, and Geary), induced
10 Plaintiff to enter the Agreement by intentionally and deceptively concealing the existence and
11 legal effect of the prior Covenants, which already provided Plaintiff with enforceable, recorded
12 rights to excess water at equitable, metered costs. Defendants further misrepresented that the
13 Agreement as the only mechanism to secure “guaranteed water rights”, when in fact the
14 Agreement grants Pheasant Run the unilateral right to "stop delivering water"—a right it has since
15 exercised in retaliation.

16 76. Greenhills has suffered irreparable harm from these unlawful breaches, including
17 financial damages exceeding \$1,000,000, environmental impacts, and loss of governance rights.
18 Prompt rescission is necessary to restore the parties to their pre-Agreement positions, with
19 restitution of all payments made by Greenhills under the tainted contract.

20 77. Wherefore, Greenhills prays for judgment rescinding the 2021 Water Agreement
21 (and first amendment thereto) in its entirety, ordering restitution of all sums paid thereunder
22 (exceeding \$1,000,000), awarding attorneys' fees and costs pursuant to the Agreement and Civil
23 Code § 1717, and granting such other relief as the Court deems just and proper.

24 **SECOND CAUSE OF ACTION**

25 **Breach of Covenant of Good Faith & Fair Dealing**

26 **(Against Pheasant Run, The Lakes, The Villas, The WRC)**

27 78. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
28 this First Amended Complaint.

1 79. This cause of action is pled in the alternative to rescission and only if the Court
2 finds the Water Agreement to be an enforceable agreement. If the Water Agreement is found
3 enforceable, then it constitutes a binding contract between, *inter alia*, Pheasant Run and
4 Greenhills.

5 80. Every California contract, including the Agreement, contains an implied covenant
6 of good faith and fair dealing, requiring each party to act fairly and not frustrate the other's
7 expected benefits.

8 81. The primary benefits Plaintiff bargained for were, *inter alia*, a stable and secure
9 water supply for its lakes and a fair, transparent, and equitable system for sharing the costs of the
10 Water Delivery System, to be managed by an independent, fiduciary oversight board. Greenhills
11 has performed, or been excused from performing, its obligations under the Agreement, including
12 participating in the WRC and paying assessments.

13 82. Defendants breached this implied covenant by acting in bad faith to deny
14 Greenhills the Agreement's equitable benefits, including:

- 15 a. Imposing over \$1 million in assessments mainly for Pheasant Run's golf course
16 benefit, like a well on its land, while denying Greenhills water rights;
- 17 b. Adding a 2/3 approval rule just for Greenhills' new directors, blocking
18 replacements and entrenching conflicted members;
- 19 c. Ignoring Greenhills' votes to appoint new directors, undermining fair governance;
- 20 d. Using director conflicts to favor Pheasant Run over Greenhills;
- 21 e. Threatening water deprivation and stopping oxygen to lakes resulting in a fish die
22 off; and
- 23 f. Keeping WRC operations secret, hiding financial details and preventing challenges.

24 83. These bad-faith actions were calculated to, and did, deny Plaintiff the fundamental
25 benefits of the Agreement, frustrating its purpose and transforming it from a shared-governance
26 compact into a tool of financial extraction and retaliation.

27 84. As a result, Greenhills suffered harm, including over \$1 million in payments and
28 lost benefits. Greenhills seeks compensatory damages or, in the alternative, restitution, plus other

1 relief the Court deems proper.

2 **THIRD CAUSE OF ACTION**

3 **Breach of Contract**

4 **(Against Pheasant Run and the WRC)**

5 85. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
6 this First Amended Complaint.

7 86. This cause of action is pled in the alternative. If the Court finds the Water
8 Agreement to be an enforceable contract, the Agreement constitutes a binding contract between
9 Plaintiff and, *inter alia*, Defendant Pheasant Run. The WRC, as the entity created by the
10 Agreement, is likewise bound to act within the confines of the authority granted by the
11 Agreement.

12 87. Plaintiff has performed all, or substantially all, of its obligations under the
13 Agreement, until such performance was excused by Defendants' material breaches. Defendants
14 Pheasant Run and the WRC have materially breached the express terms of the Agreement in, *inter*
15 *alia*, the following two respects:

16 88. Breach of Section 3.c of the Agreement which establishes a three-tiered cost
17 structure. The third tier, Section 3.c, explicitly mandates that "Other System Costs"—defined as
18 any costs not included in an approved "Annual Fixed Costs Budget" (Section 3.a) or as an
19 enumerated "Variable Cost" (Section 3.b)—"shall be subject to approval by a majority of the Lake
20 Owners." . The drilling of entirely new wells, such as the Poppy Hills well and the Kona Court
21 well, are new capital improvements, not "repairs" or "replacements" and therefore qualify as
22 "Other System Costs" as defined by Section 3.c. Under the Water Agreement, any assessment for
23 their construction required a formal vote and approval from a "majority of the Lake Owners" (i.e.,
24 at least three of the four parties: Pheasant Run, Greenhills, The Villas, and The Lakes RV).
25 Defendants, however, obtained no such approval thereby breaching the Agreement. Instead, these
26 defendants improperly forced approval of these expenditures through the conflicted WRC, on
27 which they held a captured majority. The assessments are void, having been imposed without
28 contractual authority.

1 good faith, with the care of an ordinarily prudent person, and in the best interests of the WRC as a
2 whole, which includes prioritizing the council's objectives— the equitable allocation of costs for
3 shared water features—avoiding conflicts of interest and self-dealing (e.g., decisions
4 disproportionately benefiting Pheasant Run's golf course at the expense of other members), and
5 ensuring transparent and fair assessments.

6 94. The defendant directors breached these fiduciary duties by: (i) approving the
7 drilling of the Poppy Hills well on land owned by Pheasant Run and assessing 66.77% of the costs
8 to Greenhills, despite Greenhills receiving no reciprocal benefit from the well; (ii) approving
9 assessments to Greenhills related to costs for the well at Kona Court, despite the land being owned
10 by an entity subject to an outstanding money judgment, and despite Greenhills receiving no
11 reciprocal benefit from the well; (iii) charging Greenhills approximately \$275,000 annually for
12 water-related expenses (including chemicals exclusively used to benefit Pheasant Run's golf
13 course) despite the majority of the costs being incurred by Pheasant Run for its own irrigation
14 needs, and despite Greenhills receiving no reciprocal benefit; and (iv) entering into and approving
15 the foregoing transactions when directors Boone, Bacci, and Price had significant conflicts of
16 interest that were not disclosed or addressed, resulting in their failure to recuse themselves from
17 the relevant votes, and without approval by a quorum of disinterested directors as required under
18 applicable law.

19 95. Specifically, Defendant Boone voted in favor of the aforementioned costs and
20 assessments, which disproportionately benefitted Pheasant Run (an entity he owns) at the expense
21 of Greenhills. Boone voted in favor of the Poppy Hills well while having a significant, incurable
22 conflict of interest due to his ownership interest in Pheasant Run. Defendant Bacci also voted in
23 favor of the above-described assessments to Greenhills while serving as Chief Operating Officer
24 of Sierra Golf Management, the entity that operates the golf course owned by Pheasant Run.
25 Defendant Price, who also voted to charge Greenhills for the water costs described herein, has
26 served as an employee of Boone's companies since 2004.

27 96. Moreover, Defendants VanPatten, Stocker, Geary, and Bacci (collectively, the
28 "Greenhills Directors") have, at various times, served as directors of the WRC on behalf of

1 Greenhills. By virtue of their position as directors of Greenhills, the Greenhills Directors each
2 owed Greenhills and its members the fiduciary duty of good faith, loyalty, and care, including, but
3 not limited to, the duty to act in the best interest of the Association and not a third party.

4 97. The Greenhills Directors breached their fiduciary duty by, *inter alia*,: (i) entering
5 into the Water Agreement and First Amendment despite knowing that the Agreement violated
6 Greenhills' bylaws; (ii) failing to disclose or appreciate the consequence of the Covenants which
7 provided Greenhills with rights to water at a significantly lower cost; (iii) repeatedly representing
8 the Water Agreement was the only way to secure water rights; (iv) causing Greenhills to
9 purportedly be bound to perpetually pay 66.77% of all water related improvements and expenses
10 while receiving no ownership interest, easement, or enforceable water rights in return.

11 98. These breaches were committed in bad faith and with conscious disregard for the
12 rights and interests of Greenhills and its members. The Greenhills Directors placed the interests of
13 Martin Boone, Pheasant Run, LLC, and the golf course above the interests of the Association they
14 were sworn to protect.

15 99. As a direct and proximate result of the foregoing breaches, Greenhills has suffered
16 damages in excess of \$1,400,000, including but not limited to overpayments for water-related
17 expenses, lost use of funds, attorneys' fees, diminished property values, and environmental harm
18 to the community lakes.

19 **FIFTH CAUSE OF ACTION**

20 **Aiding And Abetting Breach of Fiduciary Duty**

21 **(Against Boone, Creighton, Price, Pheasant Run, SGM, and The Lakes)**

22 100. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
23 this First Amended Complaint.

24 101. In the alternative, to the extent it is determined that Defendants Boone, Creighton,
25 and Price did not owe direct fiduciary duties to the WRC or its member entities (including
26 Greenhills), these defendants, and Pheasant Run, SGM, and The Lakes, are liable for aiding and
27 abetting the breaches of fiduciary duty committed by the Greenhills Directors.

28 102. As set forth above, the Greenhills Directors owed fiduciary duties to Greenhills,

1 both as its representatives on the WRC and as directors of Greenhills itself, requiring them to act
2 in good faith, with loyalty, and in the best interests of Greenhills, including by ensuring equitable
3 cost allocations and avoiding decisions that disproportionately burdened Greenhills without
4 reciprocal benefits. The Greenhills Directors, however, breached these duties as set forth in
5 paragraphs 89-91 above.

6 103. Defendants Boone, Creighton, Price, Pheasant Run, SGM, and the Lakes provided
7 substantial assistance to the breaches by, *inter alia*,: (i) proposing and drafting the 2021 Water
8 Agreement and First Amendment with the specific intent to off-load well-replacement costs onto
9 Greenhills; (ii) supplying the Greenhills Directors with false or misleading talking points to use in
10 campaigning for membership approval; (iii) offering or implying personal or political benefits to
11 the Greenhills Directors in exchange for their support; (iv) advocating for or proposing the self-
12 serving transactions that the Greenhills-appointed directors approved, despite knowing of the
13 conflicts compromising those directors' loyalty; (v) accepting and voting in concert with the
14 conflicted directors on the WRC to approve budgets and capital projects that directly harmed
15 Greenhills.

16 104. The aiding and abetting by defendants Boone, Creighton, Price, Pheasant Run,
17 SGM, and the Lakes was a substantial factor in causing the breaches and was done with the intent
18 to advance their own interests or those of Pheasant Run at Greenhills' expense. As a direct and
19 proximate result of this aiding and abetting, Greenhills has been damaged in an amount exceeding
20 \$1,000,000, including but not limited to overpaid assessments, lost use of funds, interest, and
21 attorneys' fees incurred in enforcing its rights. These actions were willful, malicious, and
22 oppressive, entitling Greenhills to punitive damages in an amount to be proven at trial.

23 **SIXTH CAUSE OF ACTION**

24 **Enforcement Of Covenants Post-Rescission**

25 **(Against Pheasant Run)**

26 105. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
27 this First Amended Complaint.

28 106. The Covenants were created with the intent to benefit the development, including

1 the lakes and water features now managed by Greenhills, and to run with the land, binding
2 successors in interest. The Covenants touch and concern the land by ensuring a reliable water
3 supply essential to the value, use, and enjoyment of the benefited properties. Recording of the
4 Covenants provided constructive notice to all.

5 107. Upon rescission of the 2021 Water Agreement as sought herein, the prior recorded
6 Covenants govern the parties' obligations regarding the supply, management, and cost-sharing of
7 water for the shared lakes and water features used by Greenhills' lakefront homes and Pheasant
8 Run's golf course irrigation.

9 108. The Covenants contain common enforceable terms that run with the land, bind
10 successors in interest (Greenhills as successor to the beneficiary entities), and are evergreen in
11 nature. These terms include: (i) Pheasant Run's obligation to supply water to the identified lakes
12 and water features, with limited exceptions; (ii) cost-sharing for the water system based on
13 proportionate shares measured from metered flow of water (except the 2006 Covenant, which
14 obligates Pheasant Run to pay 98% of maintenance costs); (iii) Greenhills' (as beneficiary) right to
15 audit meters and confirm calibration for accurate charges; and (iv) requirement for Pheasant Run
16 to provide notice of intent to incur well maintenance expenses. Greenhills has standing to enforce
17 the Covenants as an intended third-party beneficiary as the Covenants were made for the benefit of
18 the Greenhills Master Association and its members' lakefront properties relying on the water
19 supply.

20 **SEVENTH CAUSE OF ACTION**

21 **Promissory Estoppel**

22 **(Against Pheasant Run and Boone)**

23 109. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
24 this First Amended Complaint.

25 110. During the development and sale of homes within the Greenhills community,
26 Pheasant Run, LLC (through its principals, including Defendant Boone), made clear and
27 unambiguous promises and representations to prospective purchasers that the homes were
28 lakefront properties with maintained water features, including man-made lakes supplied by wells

1 and irrigation systems. These promises were communicated through marketing materials, sales
2 promotions, and development plans emphasizing the availability and ongoing maintenance of
3 these water features as a key amenity to enhance property values and livability.

4 111. Pheasant Run knew or should have known that these promises would induce
5 reliance by prospective homebuyers, who justifiably relied on them in deciding to purchase homes
6 in the community. As a result, numerous purchasers bought lakefront lots and homes at premium
7 prices, expecting the water features to be perpetually supplied and maintained, which directly
8 benefited Pheasant Run through increased sales and development profits.

9 112. Greenhills, as the representative entity for these homeowners, further relied on
10 Pheasant Run's promises, including promises related to security of water by entering into the
11 Agreement, by paying substantial sums for water improvements and maintenance, including but
12 not limited to: (i) 66.77% of the costs for drilling the Poppy Hills well on Pheasant Run-owned
13 land; (ii) assessments for the Kona Court well; and (iii) approximately \$275,000 annually for
14 water-related expenses, such as chemicals used exclusively for Pheasant Run's golf course
15 irrigation. These payments, exceeding \$1,000,000 in total, were made in reliance on Pheasant
16 Run's promise to equitably manage and sustain the shared water resources for the benefit of the
17 lakefront homes.

18 113. Greenhills' reliance on Pheasant Run's promises was both reasonable and
19 foreseeable. The marketing of homes as "lakefront" with water features inherently implied a
20 commitment to ongoing water supply and maintenance, without which the representations would
21 be meaningless. Pheasant Run, as the developer and controller of the water systems, foresaw that
22 such reliance would occur, as it was essential to the successful sale of the properties.

23 114. Pheasant Run has failed to honor its promises by, among other things: (i) imposing
24 disproportionate and unfair assessments through the WRC without reciprocal benefits to
25 Greenhills; (ii) engaging in self-dealing that prioritizes its golf course irrigation over the lakes; and
26 (iii) taking actions that degrade the water features, such as deactivating aeration systems leading to
27 environmental harm (e.g., the September 2025 fish die-off) and temporarily cutting of water
28 supplies. This failure constitutes a breach of the promises upon which Greenhills and its members

1 relied.

2 115. As a direct and proximate result of this reliance and Pheasant Run's failure to
3 perform, Greenhills has suffered detriment and injury, including financial damages exceeding
4 \$1,000,000 in overpaid assessments and maintenance expenses, diminished property values for
5 lakefront homes, environmental degradation of the lakes, and the need to incur additional costs for
6 remediation and enforcement.

7 116. To prevent injustice, Pheasant Run should be estopped from denying its obligations
8 under these promises, and the Court should enforce them by requiring Pheasant Run to: (i)
9 maintain and supply water to the lakes consistent with the marketing representations and
10 Covenants; (ii) reimburse Greenhills for disproportionate payments; and (iii) cease actions that
11 harm the water features.

12 **EIGHTH CAUSE OF ACTION**

13 **Restitution By Unjust Enrichment**

14 **(Against WRC, Pheasant Run, and Boone)**

15 117. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
16 this First Amended Complaint.

17 118. Pheasant Run, LLC, has been unjustly enriched at Greenhills' expense through the
18 receipt of substantial benefits, including but not limited to: (i) payments exceeding \$1,000,000
19 from Greenhills for water improvements and assessments, such as 66.77% of the Poppy Hills well
20 costs (drilled on Pheasant Run-owned land), Kona Court well expenses, the Edinburgh well, and
21 approximately \$275,000 annually for water-related costs (including chemicals exclusively
22 benefiting Pheasant Run's golf course irrigation); and (ii) subsidized use of shared water resources
23 for its golf course operations without equitable reciprocal benefits to Greenhills' lakefront
24 properties.

25 119. These benefits were conferred by Greenhills before and through the 2021 Water
26 Agreement and WRC assessments, which were tainted by fraud, self-dealing, and breaches of
27 fiduciary duties, as alleged herein, rendering retention of the benefits unjust and inequitable.

28 120. These benefits were conferred by Greenhills under the 2021 Water Agreement and

1 WRC assessments, which were tainted by fraud, self-dealing, and breaches of fiduciary duties, as
2 alleged herein, rendering retention of the benefits unjust and inequitable.

3 121. Wherefore, Greenhills prays for restitution of all unjustly retained benefits in an
4 amount exceeding \$1,000,000, plus interest, attorneys' fees and costs under Civil Code § 1717,
5 and such other relief as the Court deems just and proper.

6 **NINTH CAUSE OF ACTION**

7 **Fraud**

8 **(Against WRC, Pheasant Run, Boone)**

9 122. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
10 this First Amended Complaint.

11 123. Defendants Pheasant Run, LLC (through its principals, including Defendants
12 Boone and Bacci), made the following false representations of material fact to Greenhills with
13 knowledge of their falsity, intent to induce reliance, and for the purpose of defrauding Greenhills
14 into making substantial payments under the 2021 Water Agreement and WRC assessments:

- 15 (i) Represented that annual lake maintenance and upkeep charges totaled \$275,000,
16 when in fact the charges were inflated and not reflective of actual costs; a key
17 component included billing nearly \$8,000 per month for labor based on an outdated
18 2021 budget that was unmoored from reality and lacked supporting documentation
19 or justification, primarily benefiting Pheasant Run's golf course operations at
20 Greenhills' expense.
- 21 (ii) Represented that Pheasant Run owned the Kona Court well and that payments
22 (including \$49,409.80 assessed in December) were necessary for its maintenance
23 and operation, inducing Greenhills to pay despite the well being registered to a
24 suspended California corporation unrelated to Pheasant Run, rendering the
25 representations false and the payments unjustified.
- 26 (iii) Represented that by paying for substantial capital improvements, including the
27 Poppy Hills well, Greenhills would have a stable, secure, and enduring water
28 source. The representation was made when defendants Boone and Bacci knew that

1 Greenhills had existing rights to ensure adequate water and while knowing they
2 intended to use the well as leverage to extract additional financial concessions, with
3 no intent to actually ensure the guaranteed supply of water.

4 (iv) Represented that costs for the Edinburgh well were necessary for operational
5 purposes and properly chargeable to Greenhills, when the well was never
6 operational and never provided any benefit to Greenhills.

7 124. Defendants knew these representations were false at the time they were made, as
8 evidenced by their contention that Greenhills has no water rights, despite that promise being the
9 central inducement to extract the amounts identified herein.

10 125. Defendants made these representations with the intent to deceive Greenhills and
11 pay the inflated assessments, and capital costs, knowing Greenhills would rely on them to ensure a
12 steady water supply essential to its lakefront properties.

13 126. Greenhills justifiably relied on these representations, as Pheasant Run had been
14 operating the water systems since the development of the community and promise to ensure
15 reliable water.

16 127. As a direct and proximate result of this fraud, Greenhills has suffered damages
17 exceeding \$1,000,000, including overpaid assessments, lost use of funds, interest, environmental
18 harm from mismanaged resources, and attorneys' fees incurred in uncovering the fraud and
19 enforcing its rights. Defendants' fraudulent conduct was willful, malicious, and oppressive,
20 entitling Greenhills to punitive damages in an amount to be proven at trial.

21 **TENTH CAUSE OF ACTION**

22 **Penal Code § 496**

23 **(Against WRC, Pheasant Run, Boone)**

24 128. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
25 this First Amended Complaint.

26 129. Penal Code section 496(a) makes it illegal for any person to receive any property
27 knowing that it has been “stolen or that has been obtained in any manner constituting theft or
28 extortion.” Under Penal Code section 484(a) theft is defined to include obtaining the money or

1 property of another through “stealing” or “any false or fraudulent representation or pretense.”
2 Under Penal Code section 496(c), any party who is guilty of obtaining or receiving property in a
3 manner constituting theft is liable for treble damages, cost of suit, and attorney’s fees.

4 130. Defendants Pheasant Run, LLC (through its principals, including Defendants
5 Boone and Bacci), made false representation to induce Greenhills’ payment of funds that Pheasant
6 Run, the WRC, and Boone had no entitlement to. This includes:

- 7 (i) Representing and assessing annual lake maintenance and upkeep charges of
8 \$275,000, when in fact the charges were inflated and not reflective of actual costs;
9 a key component included billing nearly \$8,000 per month for labor based on an
10 outdated 2021 budget that was unmoored from reality and lacked supporting
11 documentation or justification, primarily benefiting Pheasant Run's golf course
12 operations at Greenhills’ expense.
- 13 (ii) Represented that Pheasant Run owned the Kona Court well and that payments
14 (including \$49,409.80 assessed in December) were necessary for its maintenance
15 and operation, inducing Greenhills to pay despite the well being registered to a
16 suspended California corporation unrelated to Pheasant Run, rendering the
17 representations false and the payments unjustified.
- 18 (iii) Payment of over \$600,000 for the Poppy Hills well under the false pretense that by
19 providing this money Greenhills would have a stable, secure, and enduring water
20 source.
- 21 (iv) Falsely represented that costs for the Edinburgh well were necessary for operational
22 purposes and properly chargeable to Greenhills, when the well was never
23 operational and never provided any benefit to Greenhills. Nevertheless, because of
24 the false pretense, these defendants received substantial funds earmarked for the
25 project that were never used as intended.

26 131. Defendants knew these representations were false at the time they were made, as
27 evidenced by their contention that Greenhills has no water rights, despite that promise being the
28 central inducement to extract the amounts identified herein.

1 **ELEVENTH CAUSE OF ACTION**

2 **Accounting**

3 **(Against WRC)**

4 132. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
5 this First Amended Complaint.

6 133. A fiduciary or confidential relationship exists between Greenhills Master
7 Association and the WRC, arising from: (i) the directors' fiduciary duties under the WRC; (ii)
8 Pheasant Run's control over shared water resources and billing as the golf course operator and
9 WRC participant; and (iii) the entrustment of funds from Greenhills for water management,
10 including assessments exceeding \$1,000,000.

11 134. Greenhills has paid substantial sums to Defendants under the Water Agreement and
12 WRC assessments, including but not limited to: (i) approximately \$275,000 annually for water-
13 related expenses, such as chemicals exclusively used for Pheasant Run's golf course irrigation,
14 despite the majority of costs being incurred by Pheasant Run and without reciprocal benefits to
15 Greenhills; (ii) 69,409.80 for the Kona Court well, which is registered to a suspended corporation
16 and provided no value to Greenhills; and (iii) \$17,337.87 for rehabilitation of the Edinburgh well,
17 which failed shortly after and generated ongoing monthly charges despite no electricity usage
18 from September 2021 to March 2025, plus an additional charge of 66.77% of \$50,000 for further
19 work, all disproportionately benefiting Pheasant Run.

20 135. These payments involve complex, intertwined accounts spanning multiple years,
21 wells, and expenses, with allegations of fraud, self-dealing, overbilling, and mismanagement (e.g.,
22 conflicted votes by Boone, Bacci, and Price favoring Pheasant Run). The accounts are so
23 complicated that an ordinary legal action for damages is inadequate, necessitating an equitable
24 accounting to determine the exact amounts owed, trace misappropriated funds, and ensure
25 transparency.

26 136. Greenhills demands an accounting of all funds received, expended, and allocated
27 related to the shared water resources, including detailed breakdowns of the annual charges it is
28 assessed, Kona Court well expenses, Poppy Hills well expenses, and Edinburgh well charges.

1 Without this accounting, Greenhills cannot ascertain the full extent of its damages or
2 overpayments.

3 137. As a result of Defendants' breaches and mismanagement, Greenhills has been
4 damaged in an amount exceeding \$1,000,000, subject to proof after the accounting.

5 **TWELFTH CAUSE OF ACTION**

6 **Appointment Of A Receiver**

7 **(Against WRC)**

8 138. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
9 this First Amended Complaint.

10 139. Pursuant to California Code of Civil Procedure § 564(b), the Court may appoint a
11 receiver in actions where necessary to preserve property or rights of a party, including in cases
12 involving mismanagement of assets, breaches of fiduciary duty, fraud, or where there is imminent
13 danger of loss or material injury to property.

14 140. Appointment of a receiver is warranted here to oversee and manage the Water
15 Resource Council (WRC), the shared water resources (including wells, lakes, and irrigation
16 systems), and related financial assessments during the pendency of this action. Defendants'
17 conduct, including breaches of fiduciary duties, self-dealing, fraudulent and secretive billing, and
18 retaliatory actions, demonstrates gross mismanagement and imminent harm to the shared resources
19 essential to Greenhills' lakefront properties.

20 141. Without a receiver, Greenhills will suffer irreparable injury, including further
21 financial burdens exceeding \$1,000,000, ongoing degradation of the lakes, diminished property
22 values, water deprivation, death of fish, and the inability to enforce equitable cost allocations.
23 Defendants' conflicts of interest render them unfit to continue managing these assets impartially.

24 142. No adequate remedy at law exists, as monetary damages alone cannot prevent
25 ongoing harm or ensure fair governance of the water features. A receiver can preserve the status
26 quo by: (i) auditing and managing water supply and costs; (ii) preventing further self-dealing or
27 retaliatory acts; (iii) ensuring compliance with the Covenants or Agreement terms pending
28 rescission; and (iv) protecting the interests of all parties, including equitable and reasonable cost

1 allocations.

2 143. Greenhills prays for: (i) appointment of a neutral receiver to manage the WRC and
3 shared water resources; (ii) an order defining the receiver's powers and duties; (iii) costs and fees
4 associated with the receivership to be borne by Defendants; and (iv) such other relief as the Court
5 deems just and proper.

6 **THIRTEENTH CAUSE OF ACTION**

7 **Nuisance**

8 **(Against Pheasant Run, Boone, SGM)**

9 144. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
10 this Frist Amended Complaint.

11 145. Defendant PR, Boone, and SGM's actions in deliberately deactivating the aeration
12 systems for the man-made lakes in September 2025, amid the ongoing water dispute and lawsuit,
13 constitute a nuisance under California Civil Code § 3479, as they unlawfully interfered with the
14 use and enjoyment of property and obstructed the free use of the shared water resources in a
15 manner injurious to health, indecent or offensive to the senses, and detrimental to the environment.

16 146. This conduct created a private nuisance by substantially and unreasonably
17 interfering with Greenhills Master Association's (and its members') private use and enjoyment of
18 the lakefront properties. The deactivation caused a mass fish die-off, resulting in foul odors, algae
19 blooms, degraded water quality, and loss of recreational and aesthetic value for the lakes, which
20 are integral amenities for the community's homes.

21 147. In the alternative or additionally, these defendants' actions constitute a public
22 nuisance under Civil Code § 3480, as they affected the community at large by harming the shared
23 ecological resources of the lakes, violating public policies on environmental protection, and
24 endangering public health through potential water contamination and ecosystem disruption in a
25 residential area.

26 148. Greenhills suffered special injury distinct from the general public, including direct
27 financial and proprietary harm as the HOA responsible for maintaining the lakes and representing
28 affected homeowners, entitling it to abate the public nuisance.

1 149. Defendants' nuisance was intentional, malicious, and retaliatory, as it was
2 undertaken to pressure Greenhills in the dispute, with knowledge of the foreseeable environmental
3 and property impacts.

4 150. As a direct and proximate result, Greenhills has suffered damages, including: (i)
5 diminution in property values for lakefront homes due to loss of aesthetic, newfound disclosure
6 obligations, recreational, and market appeal; (ii) loss of ecological value, including harm to
7 biodiversity and ecosystem balance requiring remediation and restoration costs exceeding
8 \$100,000; (iii) cleanup and mitigation expenses for the die-off; and (iv) loss of use and enjoyment
9 of the properties.

10 151. Greenhills seeks a preliminary and permanent injunction abating the nuisance and
11 requiring Defendants to restore the lakes, maintain the status quo, and prevent future interference.
12 No adequate remedy at law exists because even a temporary depletion of water in the community
13 lakes could cause catastrophic, irreversible environmental harm. The threat of empty lakes also
14 has a dramatic effect on property values, creating a potential disclosure obligation for homeowners
15 on the lake, and could disrupt multiple potential real estate transactions if the uncertainty persists.

16 **FOURTEENTH CAUSE OF ACTION**

17 **Negligence Per Se – Violation Of Penal Code Section 597**

18 **(Against Pheasant Run, Boone, SGM)**

19 152. Plaintiff re-alleges and by this reference incorporate herein paragraphs 1 to 70 of
20 this Frist Amended Complaint.

21 153. At all times relevant herein, California Penal Code § 597 was in full force and
22 effect. Penal Code § 597 prohibits, among other things, the malicious and intentional torture,
23 torment, or killing of animals, including fish, as well as subjecting animals to needless suffering or
24 unnecessary cruelty through acts or omissions, including deprivation of necessary sustenance or
25 protection.

26 154. Defendants Pheasant Run, Boone, and SGM violated Penal Code § 597 by
27 intentionally shutting off the oxygenation supply to the community lakes as a retaliatory measure
28 and knowing that such action would cause oxygen depletion, stagnation, and the mass suffocation

1 and death of fish in the lake. This constituted malicious and intentional killing, torture, torment,
2 and/or deprivation causing needless suffering to the fish, which are animals protected under the
3 statute.

4 155. The violation of Penal Code § 597 by Pheasant Run, Boone, and SGM proximately
5 caused injury to Greenhills, including but not limited to the mass fish die-off resulting in noxious
6 odors permeating the community; environmental degradation of the lake; cleanup and remediation
7 costs; diminution in property values; loss of use and enjoyment of properties; and potential
8 disclosure obligations in real estate transactions.

9 156. The injuries suffered by Greenhills is of the kind that Penal Code § 597 was
10 designed to prevent, namely, the prevention of cruelty and needless suffering to animals, which in
11 turn protects public health, environmental resources, and community welfare from the
12 consequences of such cruelty, such as pollution from decomposition and related nuisances.

13 157. Plaintiff, the HOA responsible for the community lake, are within the class of
14 persons for whose protection Penal Code § 597 was adopted, as the statute aims to safeguard
15 animals and, by extension, the ecosystems and human communities impacted by animal cruelty.

16 158. As a direct and proximate result of these defendants' negligence per se, Greenhills
17 has suffered and will continue to suffer damages in an amount to be proven at trial, including but
18 not limited to economic damages (including costs for lake restoration, fish restocking, odor
19 mitigation, and property value loss) and non-economic damages (including loss of enjoyment of
20 property).

21 159. Alternatively, even if the doctrine of negligence per se does not apply, Pheasant
22 Run, Boone, and SGM's conduct constitutes common law negligence. As the operator of the water
23 and oxygenation systems for the community lakes, Pheasant Run, Boone, and SGM owed a duty
24 of care to Greenhills, and its members, to operate and maintain those systems in a reasonable
25 manner to avoid foreseeable harm, such as environmental damage or property devaluation.
26 Pheasant Run, Boone, and SGM breached this duty by abruptly shutting off the supply, which
27 directly led to the mass fish die-off and consequent harms to Greenhills.

28 160. Pheasant Run, Boone, and SGM's conduct was done with malice, oppression, or

1 fraud, entitling Plaintiffs to punitive damages pursuant to Civil Code § 3294.

2 **FIFTEENTH CAUSE OF ACTION**

3 **Fraud - Concealment**

4 **(Against Boone, Pheasant Run, SGM, Stocker, Bacci, and Price)**

5 161. Plaintiff re-alleges and incorporates paragraphs 1-70.

6 162. At all times from 2019 through August 2021, Defendants Boone, Pheasant Run,
7 SGM, Stocker, Bacci, and Price owed Greenhills a duty to disclose material facts because: (i) they
8 were in a fiduciary or quasi-fiduciary relationship with Greenhills as its developer, long-time
9 water supplier, and (for Stocker/Bacci) as its own directors; (ii) they possessed exclusive
10 knowledge of material facts not known or reasonably discoverable by Greenhills; and (iii) they
11 actively concealed those facts while making partial representations about the need for a new water
12 agreement.

13 163. These defendants intentionally concealed and failed to disclose the following
14 material facts: a. That multiple wells were failing and that Pheasant Run/SGM had already
15 formulated plans to replace or rehabilitate them at massive cost (including the Poppy Hills well
16 permit application in March 2021 and the Edinburgh well rehabilitation project that began
17 planning in or before June 2021); b. That the primary purpose of creating the WRC was to shift
18 66.77% of those imminent multi-million-dollar capital costs onto Greenhills; c. That the pre-
19 existing recorded Lake Water Supply Agreements already obligated Pheasant Run to supply water
20 on a metered, actual-usage basis at a fraction of the cost; d. That Pheasant Run intended to retain
21 sole ownership and control of all new wells (including Poppy Hills and Kona Court) while forcing
22 Greenhills to pay the majority of drilling costs.

23 164. Defendants actively concealed these facts while simultaneously representing that
24 the Water Agreement was necessary to “secure perpetual water rights” and was “cost-neutral” or
25 the “only viable solution.”

26 165. Greenhills reasonably relied on defendants’ silence and partial disclosures by
27 entering into the Water Agreement and paying in excess of \$1,400,000 in capital and operating
28 assessments it would never have paid had the concealed facts been disclosed. As a direct and

1 proximate result, Greenhills has been damaged in excess of \$1,400,000. Defendants' concealment
2 was done with oppression, fraud, and malice; plaintiff seeks punitive damages.

3 **PRAYER FOR RELIEF**


4 WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

- 5 1. For general and compensatory damages;
- 6 2. For treble damage pursuant to Penal Code § 496;
- 7 3. For punitive damages;
- 8 4. For pre-judgment interest at the maximum rate allowed by law;
- 9 5. For a temporary and permanent injunction requiring Pheasant Run and the WRC
10 maintain adequate water supplies in the lakes to avoid permanent ecological damage and
11 widespread diminution in property values.
- 12 6. For reasonable attorney's fees;
- 13 7. For costs of suit;
- 14 8. For any other relief the court may deem just and proper.

15
16 Dated: December 8, 2025

SARABIAN LAW, A.P.C.

17
18 By: _____


19 Jacob S. Sarabian

20 Attorneys for Greenhills Master Association
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EXHIBIT “1”

2021024766

Rebecca Martinez
Madera County Clerk-Recorder

08/06/2021 11:14 AM
PHEASANT RUN LLC

Titles: 2 Pages: 21
Fees: \$238.00
Taxes: \$0.00
Total: \$238.00



RECORDING REQUESTED BY:
See Below

When Recorded Mail To:
Pheasant Run, L.L.C.
c/o Martin Boone
1260 41st Avenue, Suite O
Capitola, California 95010

DOCUMENTARY TRANSFER TAX : \$10

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**AGREEMENT TO GRANT EASEMENTS AND LICENSES AND AMEND
COVENANTS TO SUPPLY WATER AND LAKE MAINTENANCE**

This Agreement to Grant Easements and Licenses and Amend Covenants to Supply Water and Lake Maintenance (this "Agreement," or "Instrument") is made on July 1, 2021 by and among PHEASANT RUN, L.L.C., a California limited liability company ("PR")¹, whose address is 1260 41st Avenue, Suite O, Capitola, California 95010; GREENHILLS MASTER ASSOCIATION, a California nonprofit mutual benefit corporation, which took title to some of the properties referenced below and/or may also be known as GREENHILLS ESTATES HOMEOWNERS ASSOCIATION, GREENHILLS HOMEOWNERS ASSOCIATION, INC., and/or GREENHILLS HOMEOWNERS ASSOCIATION ("GREENHILLS"), whose address is 5100 N. 6th Street, Suite 164, Fresno, California 93710; THE VILLAS OWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("THE VILLAS"), whose address is 5100 N. 6th Street, Suite 164, Fresno, California 93710; and THE LAKES RV PARK OWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("THE LAKES RV"), whose address is 1260 41st Avenue, Suite O, Capitola, California 95010; as set forth below.

RECITALS

A. WHEREAS, PR is one of the developers of a master-planned golf course community located in the City of Chowchilla, County of Madera, State of California (the "Development"), which consists of a golf course known as the Pheasant Run Golf Club (the "Golf Course") and associated residential and commercial developments, including those residential common interest developments now known as "Greenhills Estates" and "The Villas," as well as a recreational vehicle park now known as The Lakes RV & Golf Resort ("The Lakes RV Park");

B. WHEREAS, the Development includes 15 man-made lakes (collectively, the "Lakes"), all of which are connected to a system of wells, pipelines, tanks, and other facilities for delivery of water to the Lakes (the "Water Delivery System"), as depicted on the map attached hereto as Exhibit "A" and incorporated herein by this reference (the "Water System Map"). The Water System Map shows the location of all 15 Lakes (hereinafter individually referred to by number as shown on the Water System Map, such as "Lake 1" through "Lake 15"), as well as five (5) agricultural wells within the Water Delivery System (hereinafter collectively referred to as the "Wells" and individually referred to by number as shown on the Water System Map, such as "Well 1" through "Well 5") and various transfer pumps and aerators;

C. WHEREAS, the Lakes serve as holding basins for water reserves filled from the Wells, and the primary purpose of such water reserves is to maintain and irrigate the Golf Course. The Lakes

¹ PR may have taken title to some or all of the real properties noted herein under the name of "Pheasant Run, LLC, a California Limited Liability Company."

also function as amenities within the Development, specifically including, without limitation, Greenhills Estates, The Villas, and The Lakes RV Park;

D. WHEREAS, the Development includes the following real properties (collectively, the "Real Properties"), some of which are impacted by the Water Delivery System and are owned by the parties noted below:

1. That certain real property owned by PR and on which the Golf Course and Lakes 4, 5, 6, 7, 10, and 11 are located (the "Golf Course Property"), identified by Assessor's Parcel Number 014-030-088, the legal description of which is set forth in Exhibit "B" hereto and incorporated herein by this reference;

2. Those certain real properties owned by GREENHILLS, which constitute some or all of the common area(s) of the Greenhills Estates and on which Lakes 8, 9, 12, 13, 14, and 15 and a portion of Lake 3 are located, the legal description of which is set forth in Exhibit "C" hereto and incorporated herein by this reference;

3. Those certain real properties owned by THE VILLAS, which constitute some or all of the common area(s) of The Villas and on which Lake 2 and a portion of Lake 3 are located, the legal description of which is set forth in Exhibit "D" hereto and incorporated herein by this reference; and

4. Those certain real properties owned by THE LAKES RV, which constitute some or all of the common area(s) of The Lakes RV Park and on which Lake 1 is located, the legal description of which is set forth in Exhibit "E" and incorporated herein by this reference;

E. WHEREAS, all rights to the Wells, including, without limitation, the right to remove and take water therefrom, are held by PR, as of the owner of various easements for said purpose(s) and/or pursuant to certain reservations of rights. Similarly, all pumps and other equipment used in connection with operating the Wells are owned by PR;

F. WHEREAS, in order to establish their respective rights and obligations with respect to the supply of water to the Lakes and use of the Water Delivery System, the then-current owners of some of the Real Properties entered into the following covenants and certain other agreements relating to the Water Delivery System (collectively and as amended, the "Covenants"):

1. An Interdeveloper Agreement and Covenants for Development, Maintenance, Performance and Contribution dated August 24, 2001 among certain parties as specified therein, with respect to which a Memorandum of Development and Maintenance Agreement was recorded in the Official Records of Madera County on July 3, 2001 as Document No. 2001018361; as thereafter amended by one or more amendments, including, without limitation, a First Amendment to Interdeveloper Agreement and Covenants for Development, Maintenance, Performance and Contribution dated April 7, 2003, with respect to which a Memorandum of First Amendment to Interdeveloper Agreement was recorded in the Official Records of Madera County on April 10, 2003 as Document No. 2003014462;

2. A Grant of Easement dated in or about September of 2005 between PR and Kona Court, Inc.;

3. A Covenant to Supply Water and Lake Maintenance dated April 21, 2003, entered into by and between PR and FBL 1998, LLC, a California limited liability company ("FBL"), which was recorded in the Official Records of Madera County on September 3, 2003 as Document No. 2003036330, as amended by an Addendum to Covenant to Supply Water and Lake Maintenance recorded in the Official Records of Madera County on September 3, 2003 as Document No. 2003036331;

4. A Covenant to Supply Water and Lake Maintenance dated December 21, 2005, entered into by and between PR and California Greenhills Estates, LLC, a California limited liability company ("CGE"), which was recorded in the Official Records of Madera County on January 6, 2006 as Document No. 2006000672; and

5. A Covenant to Supply Water and Lake Maintenance dated on or about May 5, 2004, entered into by and between PR, CGE, and Wellington Corporation of Northern California, a Minnesota corporation ("Wellington"); which was recorded in the Official Records of Madera County on June 4, 2004 as Document No. 2004023782.

G. WHEREAS, the Covenants require PR to supply to some or all of the other owners of the Real Properties some of the excess water that may remain after maintaining and irrigating the Golf Course, if any, from the Wells or such other water source as may be designated subsequently by PR, which water may thereafter be retrieved by PR if necessary for maintenance of the Golf Course. The Covenants further require PR to maintain the Wells in proper order and to maintain and operate the Water Delivery System, subject to certain limitations, the costs of which shall be paid proportionally by the owners of the various Lakes as set forth therein. In the event the available water supplies are inadequate to maintain and irrigate the Golf Course and fill all Lakes, the Covenants provide that PR has the right, in its sole discretion, to stop delivering water to the Lakes; and

H. WHEREAS, in order to ensure that all impacted parties have access to a water source and the right to use the Water Delivery System in the event any one or more of the Lakes is or are no longer in use and/or the Golf Course ceases to operate as such, the parties hereto now desire to supplement and/or modify the terms of the Covenants and to grant certain licenses and easements; subject to and in accordance with all terms and conditions set forth below.

TERMS

1. **Recitals.** The recitals set forth above are true and correct in all material respects and are incorporated herein by this reference.

2. **Establishment of an Oversight Board.** An oversight board (the "Board") shall be established for the purpose of overseeing maintenance of the Water Delivery System and determining the priority of distribution and allocation of water in excess of the amount historically used to maintain and irrigate the Golf Course and surrounding greenbelt areas (including, without limitation, all trees, lawns, fairways, other landscaping or vegetation, and water features) (the "Excess Water"), if any, among the Lakes, as well as evaluating alternative sources of water and power for long-term sustainability in the event of anticipated water shortages. The foregoing oversight shall also include determining the most efficient and economical way of distributing water throughout the Water Delivery System. Notwithstanding the foregoing or any other terms of this Agreement; the Board shall not oversee, and shall not have the authority to make any decisions regarding, the use, priority, or allocation of any water from the Wells or any other source(s) that does not constitute Excess Water. PR hereby retains all decision-making authority, discretion, and other rights with respect to the use, priority, and allocation of any water from the Wells or any other source(s) that does not constitute Excess Water, including, without limitation, the right to retrieve water from the Lakes and/or stop delivering water to the Lakes if reasonably necessary for, or otherwise in furtherance of, maintenance of the Golf Course. The following provisions shall govern the establishment and function of the Board:

a. **Members.** The Board shall consist of seven (7) members, including one (1) member to be appointed by THE VILLAS, one (1) member to be appointed by THE LAKES RV, three (3) members to be appointed by GREENHILLS, and two (2) members to be appointed by PR (one of which shall be a representative of the Golf Course for so long as the Golf Course is operating as such). Each of PR, GREENHILLS, THE VILLAS, and THE LAKES RV shall have the right to appoint one or

more members to the Board as specified in the foregoing sentence, which appointment shall be accomplished by means of providing written notice thereof to the other parties to this Agreement. Once appointed, a member shall remain on the Board until such time as he or she resigns, is removed for cause by a majority of the other members (excluding the member whose removal is sought), is removed without cause by at least 66 2/3 percent of all of the other members (excluding the member whose removal is sought), is removed by the appointing party (for any reason and without any requirement for cause), or is replaced by a new member who has been appointed by the appointing party. Any member may resign by giving at least 30 days' written notice thereof to all of the parties hereto. Any vacancies on the Board shall be filled in the same manner as an initial appointment to the Board, with each vacancy to be filled only by the party who had the right to initially appoint the member whose resignation or removal created the vacancy.

b. **Officers.** The Board shall have a Chairman, who shall also be a member of the Board, and a Secretary, who need not be a member of the Board. The foregoing officers shall be appointed by a majority of the Board, except that a representative of PR shall serve as both the initial Chairman and initial Secretary. The offices of Chairman and Secretary may be held by the same person and shall be held in staggering two-year terms. The first term for the office of Chairman shall expire two years following the date on which this Instrument is recorded in the Official Records of Madera County, and the first term for the office of Secretary shall expire one year following the date on which this Instrument is recorded in the Official Records of Madera County. Any officer may resign by giving at least 30 days' written notice thereof to all of the parties hereto or may be removed for cause by a majority of the Board (excluding any member whose removal from office is sought).

The Chairman shall preside at all meetings of the Board and shall have such other duties as a majority of the Board may prescribe from time to time. The Secretary shall take notes and minutes, prepare agendas, and perform such other administrative tasks and functions and have such other duties as a majority of the Board may prescribe from time to time. In the event the Secretary is not a member of the Board, the Board shall have the authority to pay the reasonable costs of hiring an independent third party to serve as such, in which case said costs shall be treated as an expense that is necessary for the continued use and operation of the Well Delivery System.

c. **Meetings.** The Board shall hold regular monthly meetings on such regular date and time (i.e., at a specified time on a certain day of each month, such as the first or last Thursday of every month, for example) and at such place within the State of California as a majority of the Board shall determine. Unless the regular date and time for such meetings has changed (in which case notice shall only be required for the first such changed date and time), notice of regular monthly meetings need not be given. Any member may call a special meeting of the Board upon giving written notice thereof to all other members, which notice shall be given at least four (4) days prior thereto and shall specify the date, time, and place of such meeting and the subject matter thereof. Any member may sign a waiver of notice of any meeting and/or consent to the holding of such meeting without notice, which consent shall be deemed given by any member who attends said meeting without protesting the lack of notice before or at the commencement of the meeting. A majority of the members entitled to vote on a matter shall be deemed to constitute a quorum for purposes thereof. If a quorum was initially present at the beginning of a meeting, such quorum shall be deemed to exist for the remainder of the meeting notwithstanding the withdrawal of any members therefrom. A meeting may be adjourned to another time and place by a majority of the Board, provided that notice of the new time and place shall be given to all members who were not present at the time of adjournment if the meeting is adjourned for more than 24 hours. Members may participate at Board meetings through the use of a conference telephone call, electronic video screen communication, or electronic transmission by and to the other members, provided that all members participating in the meeting are able to hear one another. Participation by a member through the

foregoing means shall constitute presence in person. Meetings shall be conducted using parliamentary procedures as provided for under Roberts Rules of Order.

d. **Authority and Actions of the Board: Written Consent.** As set forth above, the Board is being established for the purpose of overseeing maintenance of the Water Delivery System, to the extent Excess Water exists, and determining the priority and allocation of Excess Water, if any, among the Lakes, as well as evaluating alternative sources of water. As such, the Board shall have the authority to take such actions and make such decisions as shall be necessary or appropriate to carry out the foregoing purposes, all of which shall require a majority vote of the Board. Such actions shall include, without limitation, engaging necessary services and paying all costs incurred in connection with maintenance of the Water Delivery System, as well as sending out monthly invoices to all owners of the Lakes (collectively, the "Lake Owners") for their pro rata share of said costs in accordance with the terms of this Instrument. Any action or decision permitted to be taken or made by the Board may be taken or made without a meeting if all the members give their unanimous written consent thereto. At the time of execution of this Agreement, the parties anticipate that PR, through its employees and/or agents, will continue to perform the day-to-day maintenance of the Water Delivery System (including, without limitation, preparation of budgets and billing the appropriate parties), subject to the Board's oversight and all other terms of this Agreement. However, in the event the Board hereafter replaces PR with another person or entity to perform said day-to-day maintenance of the Water Delivery System, or any portion thereof, PR shall be released from any and all continuing obligations to maintain the Water Delivery System, or the portion thereof with respect to which it was replaced, under the Covenants or any other agreements.

3. **Costs of Maintaining the Water Delivery System.** All costs associated with maintaining the Water Delivery System (collectively, "System Costs") shall be paid by the Lake Owners on a pro rata basis to be determined based on a fraction, the numerator of which shall be the total surface area of all Lakes located on any Real Properties owned by a particular Lake Owner and the denominator of which shall be the total surface area of all Lakes. For purposes of the foregoing sentence, the total surface area of each of the Lakes shall be determined based on the assumption that each such Lake is filled to capacity², which the parties hereto acknowledge shall result in the following initial percentages as of the date of this Instrument: (i) 25.56 percent of all System Costs shall be allocated to PR; (ii) 66.77 percent of all System Costs shall be allocated to GREENHILLS; (iii) 5.60 percent of all System Costs shall be allocated to THE VILLAS; and (iv) 2.07 percent of all System Costs shall be allocated to THE LAKES RV. Notwithstanding the terms of this paragraph, the allocation of System Costs as set forth herein may be adjusted to reflect each Lake Owner's percentage of actual water usage in comparison to the actual water usage of all Lake Owners; provided that the Board, upon the vote of at least 66 2/3 percent of its members, has decided to so adjust the allocation of System Costs after identifying and implementing an economical method of determining actual water usage. The following provisions shall govern the incurrence and payment of System Costs, subject to modification by a majority of the Board:

* EXHIBIT F

a. No later than 60 days prior to the end of each calendar year or such other date as shall be determined by a majority of the Board, the Chairman of the Board shall submit to the Board a proposed annual budget setting forth all fixed System Costs (the "Fixed Costs") that are anticipated to be incurred during the upcoming year (the "Annual Fixed Costs Budget"). Within 30 days following the Board's receipt of such proposed Annual Fixed Costs Budget (the "Budget Consideration Period"), the Board, by a majority vote of its members, shall either approve the proposed Annual Fixed Costs Budget in the form in which it was submitted or approve its own Annual Fixed Costs Budget. In the event the Board fails to approve an Annual Fixed Costs Budget within the Budget Consideration Period, the Board shall be deemed to have approved the proposed Annual Fixed Costs Budget in the form in which it was submitted. The Annual Fixed Costs Budget shall include, without limitation, all Fixed Costs incurred for

² The surface area of each Lake based on its full capacity is set forth in Exhibit "F" attached hereto and incorporated herein by this reference.

or in connection with the following, as well as such other costs as a majority of the Board shall determine will be treated as Fixed Costs:

- i. Wages (including supervisor, crew member, and administrative wages), payroll taxes, workers' compensation insurance, and employee uniforms for persons employed by the Golf Course or other employer in connection with maintaining the Water Delivery System (including reimbursement of the foregoing amounts to said employer);
- ii. Maintenance equipment;
- iii. Maintenance equipment repairs;
- iv. Fuel and oil;
- v. Tools; and
- vi. Solid waste disposal.

The Fixed Costs included in the approved Annual Fixed Costs Budget shall be paid by the Lake Owners as allocated herein on a monthly basis, with each monthly payment equal to one-twelfth (1/12th) of the approved Annual Fixed Costs Budget for the corresponding year. The Board shall not be required to send out monthly invoices for the foregoing monthly payments of Fixed Costs but shall notify each Lake Owner in writing of the amount of the monthly payment allocated to said Lake Owner for the subject year. The Fixed Costs shall not be subject to adjustment based on the actual amounts incurred, whether greater or less than the Fixed Costs included in the approved Annual Fixed Costs Budget.

b. Certain System Costs that are anticipated by category but are variable in amount (collectively, the "Variable Costs") shall require approval by a majority vote of the Board. All approved Variable Costs shall be billed to the Lake Owners on a regular basis (such as monthly, for example), and the Board shall be responsible for sending out invoices for said costs. All such invoices shall be due and payable immediately, but in no event later than 30 days following receipt. Variable Costs shall include, without limitation, all costs incurred in connection with the following, as well as any other costs, as well as such other costs as a majority of the Board shall determine will be treated as Variable Costs:

- i. Utilities;
- ii. Third party contractors, which shall include any and all contractors who are not affiliated with any of the Lake Owners;
- iii. Pump repairs and/or replacements;
- iv. Well repairs and/or replacements;
- v. Water testing;
- vi. Chemicals;
- vii. Permits;
- viii. Water purchases; and
- ix. Water district assessments.

c. Any System Costs other than those that have been included in an approved Annual Fixed Costs Budget or have been approved as Variable Costs in accordance with the terms of this paragraph (collectively, the "Other System Costs") shall be subject to approval by a majority of the Lake Owners. In order to request such approval of the proposed Other System Costs, the Board shall provide written notice thereof (including a description of the subject Other System Costs and the estimated amount thereof) to all Lake Owners, after which said Lake Owners shall have 30 days to approve or disapprove the proposed Other System Costs set forth in the notice (the "Other System Costs Approval Period"). Prior to expiration of the Other System Costs Approval Period, each Lake Owner shall notify the Board in writing of his, her, or its approval or disapproval of the proposed Other System Costs; provided that a Lake Owner's failure to so notify the Board prior to expiration of the Other System Costs Approval Period shall be deemed an approval of the proposed Other System Costs. Each Lake Owner shall be given one vote with respect to approving or disapproving Other System Costs as provided in this paragraph, regardless of the number or size of the Real Properties owned by said Lake Owner. Only

those Other System Costs that have been approved in accordance with the procedure set forth in this paragraph shall be charged to the Lake Owners as set forth in this Agreement.

4. **License to Use Wells.** PR, on behalf of itself and its successors and assigns, as the owner of all rights to use the Wells and remove and take water therefrom, hereby grants to each of the other Lake Owners a non-exclusive license to use the Wells and to take water therefrom for the limited purposes described herein (a "License"). Each License shall be subject to the following terms:

a. **Limited Purpose.** Each License shall be for the limited purpose of removing and taking water from one or more Wells (the "Well Water") in an amount reasonably necessary to fill one or more Lake(s) owned by the holder of the subject License (hereinafter referred to as the "Licensee"), subject to all terms and conditions of this Instrument (including, without limitation, any terms that may limit a Lake Owner's right to fill his, her, or its Lake(s) in the event of a water shortage or complete lack of water). Each Licensee shall only use the Well Water for his, her, or its own use and not for the use of any third party or any other use that would divert the Well Water from the Lakes, which diversion is strictly prohibited. In the event of and during the continuation of any period(s) of a shortage or complete lack of Well Water by reason of natural causes or acts of god: (i) the terms of paragraph 2, above, shall govern the priority of distribution and allocation of said Well Water among the Licensees; and (ii) PR shall have no obligation to provide Well Water to any of the Licensees and shall not be held liable for any such lack of Well Water.

b. **Irrevocability; Licensee's Right to Terminate.** Each License granted herein, which is a license coupled with an interest, shall be irrevocable for so long as the Lake Owner thereof maintains an interest in one or more of the Lakes, and each such License shall run with the Lakes such that each successor and assign of a Lake Owner's interest therein shall automatically be deemed to be the owner of the corresponding License. The rights and obligations arising out of each such License shall inure to and be binding upon each Lake Owner and his, her, or its successors and assigns. Notwithstanding the foregoing, each Licensee shall have the right to terminate its respective License upon giving 30 days' prior written notice thereof to PR; provided that, as a condition of such termination, said Licensee shall also relinquish any and all Easements (as defined herein) granted in its favor under this Agreement.

c. **License Fee.** As consideration for being granted a License as set forth herein and until such time as said License may be terminated, each Licensee shall pay to PR a monthly license fee (a "License Fee") in an amount equal to the following: (i) \$1,165.00 shall be paid by GREENHILLS; (ii) \$125.54 shall be paid by THEVILLAS; and (iii) \$124.46 shall be paid by THE LAKES RV. For convenience and with PR's approval, the Board may include each Licensee's License Fee on the monthly invoices to be sent out in accordance with the terms of paragraph 3.b., above, in which case all such License Fees shall be collected and held in trust for the benefit of PR and promptly remitted to PR upon receipt. In the event the License Fees are not included in the Board's monthly invoices pursuant to the foregoing sentence, the License Fees shall be due and payable in arrears on the last day of each month regardless of whether an invoice has been sent.

5. **Easements for Use of Water Delivery System.** Each of the owners of one or more of the Real Properties (collectively, the "Property Owners") hereby grants to each of the other Property Owners an express easement over that portion of the granting Property Owner's Real Property on which the Water Delivery System is now or hereafter situated, which shall be for the limited purpose of transporting water from one or more of the Wells or other source(s) of water to any or all of the Lakes located on any of the Real Properties owned by such other Property Owners by means of the Water Delivery System (each such easement singularly referred to as an "Easement" and all such easements collectively referred to as the "Easements"). In the event any Lake ceases to function as part of the Water Delivery System for any reason (such as, for example, the Lake being disconnected from the Water Delivery System or the Property Owner of the Real Property on which the subject Lake is located fails to

maintain the Lake in good working condition and/or otherwise abandons all use of the Lake); the corresponding Easement(s) burdening the Real Property on which the Lake is located shall include the right for each of the other Property Owners to install a pipeline in, on, or under said Real Property for the purpose of connecting the existing pipelines within the Water Delivery System, transporting water to the Lake(s), and maintaining the integrity of the Water Delivery System. The location of any such pipeline to be installed on a Property Owner's Real Property shall be designated by said Property Owner, provided that the location shall be reasonable and shall further the purposes of the Easement. Each granting Property Owner with respect to an Easement shall hereinafter be referred to as the "Grantor Owner" when referenced or acting in said Property Owner's capacity as the grantor thereof; and each receiving Property Owner with respect to an Easement shall hereinafter be referred to as the "Grantee Owner" when referenced or acting in said Property Owner's capacity as the grantee thereof. With respect to each Easement granted herein: (a) the Real Property burdened by the Easement shall be referred to as the "Servient Tenement"; and (b) each or all of the Real Properties gaining the benefit of the Easement shall be referred to as the "Dominant Tenement." Each of the Easements shall be subject to the following terms:

a. **Character.** Each of the Easements is appurtenant to the corresponding Dominant Tenement and is non-exclusive, with each Grantor Owner of an Easement retaining the right to make any use of his or her Real Property that does not unreasonably interfere with the corresponding Grantee Owners' free use and enjoyment of the subject Easement. Notwithstanding the foregoing, each Grantor Owner agrees not to grant an easement similar to the Easement created by this Instrument to any person or entity who is not an owner of a Lake, unless and to the extent all other Property Owners and a majority of the Board have given their written consent.

b. **Duration.** Each Easement is being granted for a perpetual duration, and no Property Owner shall have the right to revoke or terminate any Easement granted herein without the written agreement of all of the Property Owners.

c. **Incidental Rights.** Each of the Easements shall include all incidental rights necessary for the use and enjoyment thereof, including, without limitation, the right to repair and replace any portion of the Water Delivery System not otherwise inconsistent with the terms of this Instrument, the right to make improvements as may be necessary to use and enjoy the Easement, and the right to enter upon and depart from the Servient Tenement, whether on foot or by way of vehicular traffic, to use and enjoy the Easement. In exercising the foregoing rights, each Grantee Owner shall use reasonable care and shall not unreasonably increase the burden on the Servient Tenement.

6. **Costs Resulting from Fault; Indemnification.** In the event the Water Delivery System, including any portion or component thereof, is damaged as a result of acts or negligence of any Property Owner, the Property Owner causing such damage shall be responsible for replacement or repair of such damage. In the event a Property Owner makes emergency repairs to the Water Delivery System to correct damage caused by the negligence or actions of any other Property Owner, then such repairing Property Owner shall have a right of reimbursement from the other such Property Owner for all costs incurred. Each Property Owner shall indemnify and hold harmless the other Property Owners from all third party claims, demands, or causes of action (including attorneys' fees and costs) arising out of or relating to the indemnifying Property Owner's entry upon or access to the other such Property Owner or Property Owner(s)' Real Properties, except that no Property Owner shall be responsible for any such damages to the extent they are paid or payable by any third parties, including, but not limited to, insurance carriers.

7. **Binding and Continuing Effect.** Each of the Easements and the rights associated therewith shall be for the benefit of, and appurtenant to, the corresponding Dominant Tenement and shall inure to the benefit of, and may be used and enjoyed in accordance with the terms of this Instrument by, all persons who may be or become owners of said Dominant Tenement or any part thereof. Similarly, each of the Easements shall be binding on the corresponding Grantor Owner, including its successors and

assigns, and all persons who may be or become owners of the corresponding Servient Tenement or any part thereof.

8. **Effect of Agreement.** To the extent the terms of this Instrument modify or otherwise conflict with the terms of any existing agreement(s) between any or all of the parties hereto, including, without limitation, the Covenants; this Instrument shall be deemed to modify and supersede the terms of such existing agreement(s). To the extent the terms of this Instrument do not modify any existing agreement(s) between any or all of the parties hereto, this Instrument shall be construed as a new agreement between said parties and shall be binding and enforceable against each of the parties in accordance with its terms. To the extent any party to this Agreement hereafter becomes the owner of one or more real properties not specifically referenced herein but which are or hereafter become impacted by the Water Delivery System (such as, for example, a real property that is subsequently annexed to one of the developments referenced herein and on which a part of the water delivery system is now or hereafter located): (a) said party shall be bound by the terms of this Agreement with respect to said real properties; and (b) this Agreement shall be binding against and run in favor of all subsequent owners of the subject real property, to the fullest extent permitted by applicable law. This Agreement is not intended to modify, and shall not modify, any and all obligations of the Lake Owners and/or other persons to maintain the Lakes, which shall continue to be governed by any and all separate agreements relating thereto.

9. **Miscellaneous.** The following miscellaneous terms shall apply to this Instrument:

a. **Entire Agreement.** This Instrument constitutes the entire, final, and integrated agreement between the parties hereto pertaining to the subject matter hereof, fully supersedes any and all prior understandings, representations, warranties, and agreements between any of the parties hereto pertaining to the subject matter hereof, and may be modified only by written agreement signed by all of the parties hereto.

b. **Captions and Interpretation.** Titles or captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof. Whenever the context of this Agreement requires, references to the singular number shall include the plural, and the plural shall include the singular, where appropriate; words denoting gender shall be construed to include the masculine, feminine, and/or neuter where appropriate; and specific enumeration shall not exclude the general, but shall be considered as cumulative. Any and all statutes, code provisions, or regulations cited herein shall be construed as including any successor or replacement statutes, code provisions, or regulations, as may be applicable. The general rule that any ambiguities in an agreement be interpreted against the drafter of such agreement shall not apply to this Agreement, and no provision in this Agreement is to be interpreted for or against either party because that party or his/her/its/their legal representative drafted such provision.

c. **Further Assurances.** Each party to this Agreement shall execute whatever documents and take such other actions as may be reasonably necessary and appropriate to carry out the intent and purpose of this Agreement.

d. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable, such provision will be deemed to be severed and deleted from the agreement as a whole, and neither such provision nor its severance and deletion shall in any way affect the validity of the remaining provisions of this Agreement, all of which shall remain in full force and effect.

e. **Waiver.** The waiver by either party of a breach of any term, covenant, or condition contained in this Agreement shall not be treated as a waiver of such term, covenant, or condition, or as a waiver of a future breach of the same or any other term, covenant, or condition contained in this Agreement.

f. **Counterparts.** This Agreement may be executed in counterparts. Each such counterpart shall be deemed an original, but all such executed counterparts together shall constitute one and the same instrument.

g. **Attorneys' Fees & Costs.** If any action be taken to enforce the terms of this Agreement, regardless of whether a lawsuit has been filed, the prevailing party to the dispute giving rise to said action shall be entitled to its attorneys' fees and costs.

h. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with California law and without reference to conflict of laws principles. Any dispute between the parties hereunder shall be venued in Madera County.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement to Covenants to Supply Water and Lake Maintenance to be effective as of the date set forth in the preamble.

PHEASANT RUN, L.L.C.,
a California limited liability company

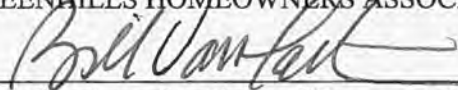
Dated: July 30, 2021

By 
Signature of Authorized Representative

MARTIN BOONE, MANAGER
Print Name and Title of Authorized Representative


GREENHILLS MASTER ASSOCIATION, a California nonprofit mutual benefit corporation, which took title to some of the properties referenced above and/or may also be known as GREENHILLS ESTATES HOMEOWNERS ASSOCIATION, GREENHILLS HOMEOWNERS ASSOCIATION, INC., and/or GREENHILLS HOMEOWNERS ASSOCIATION

Dated: July 29, 2021

By 
Signature of Authorized Representative

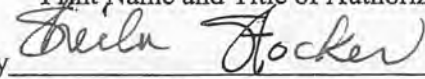
Bill VanPatten - President of HMA
Print Name and Title of Authorized Representative

Dated: July 29, 2021

By 
Signature of Authorized Representative

Patrick Greary Vice President GAMA
Print Name and Title of Authorized Representative

Dated: 29 July 2021

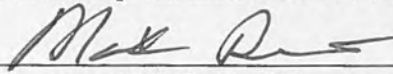
By 
Signature of Authorized Representative

SHEILA STOCKER
Print Name and Title of Authorized Representative

[Signatures and Acknowledgments Continue on the Following Pages]

THE VILLAS OWNERS ASSOCIATION,
a California nonprofit mutual benefit corporation

Dated: 7-30-21

By 
Signature of Authorized Representative

MARK ROYE PRESIDENT
Print Name and Title of Authorized Representative

THE LAKES RV PARK OWNERS ASSOCIATION, a
California nonprofit mutual benefit corporation

Dated: 8.4.2021

By 
Signature of Authorized Representative

WILLIAM P. DAVIS PRESIDENT
Print Name and Title of Authorized Representative

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Madera)

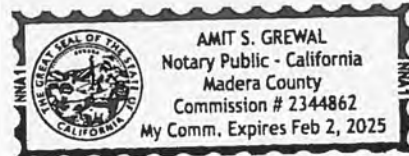
On July 29, 2021 before me, Amit S. Grewal Notary Public
(insert name and title of the officer)

personally appeared Bill Vanpatten, Sheila Stacker, and Patrick Geary —
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Amit S. Grewal (Seal)



Clear Form

Print Form

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Madera)

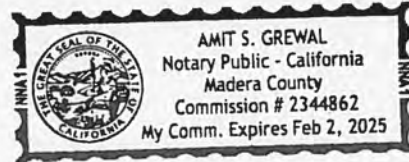
On August 4, 2021 before me, Amit S. Grewal, Notary Public
(insert name and title of the officer)

personally appeared William P. Davis,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Amit S. Grewal (Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

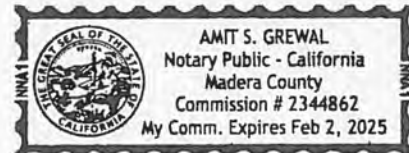
State of California
County of Madera)

On July 30, 2021 before me, Amit S. Grewal, Notary Public
(insert name and title of the officer)

personally appeared Mark Ridge,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (is) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Amit S. Grewal (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

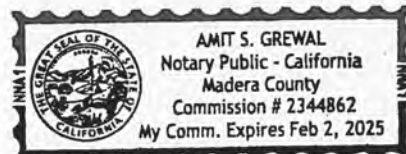
State of California
County of Madera

On July 30, 2021 before me, Amit S. Grewal, Notary Public
(insert name and title of the officer)

personally appeared Martin Boone
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (is) are subscribed to the within instrument and acknowledged to me that (he) she/they executed the same in (his) her/their authorized capacity(ies), and that by (his) her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Amit S. Grewal (Seal)

Exhibit "A"
Water Delivery System Map

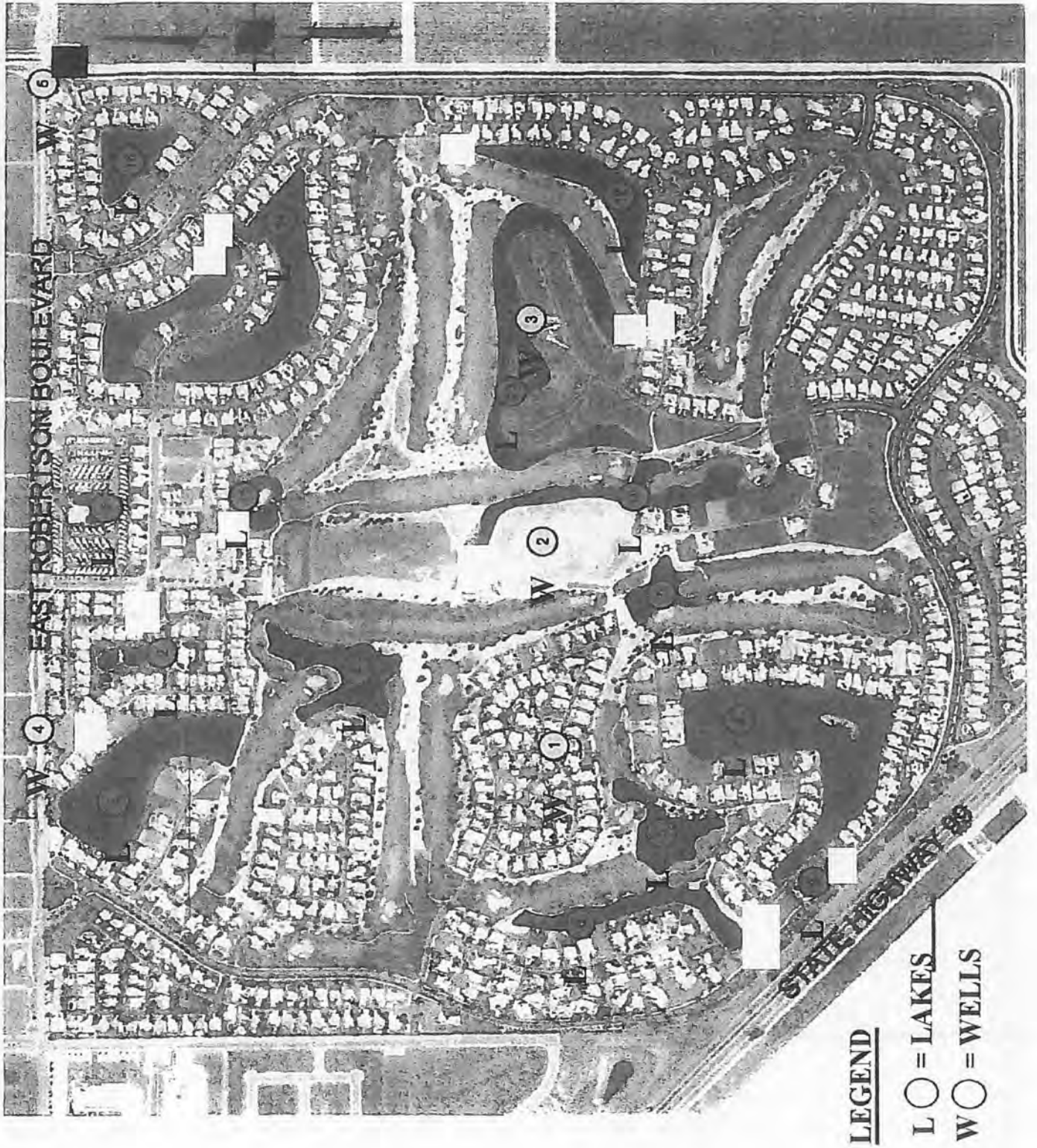


Exhibit "B"
Legal Description of Golf Course Property

[Description Appears in Grant Deed Recorded on 1/16/2006 as Document No. 2008001579]

The following described property is located in the City of Chowchilla, County of Madera, State of California:

RESULTANT PARCEL A OF LOT LINE ADJUSTMENT NO. 04-14, AS DISCLOSED BY DEED RECORDED MAY 28, 2004 AS INSTRUMENT NO. 04-22380 OF OFFICIAL RECORDS, BEING A DIVISION OF PARCEL 2B (AS CORRECTED BY CERTIFICATE RECORDED APRIL 27, 2004 AS INSTRUMENT NO. 04-17677 OF OFFICIAL RECORDS) OF PARCEL MAP NO. 03-47, ACCORDING TO THE MAP RECORDED JANUARY 22, 2004 IN BOOK 52, PAGE 69 OF MAPS, IN THE OFFICE OF THE COUNTY OF RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF RESULTANT PARCEL B OF LOT LINE ADJUSTMENT NO. 04-04 AS PER DOCUMENT RECORDED MAY 8, 2004 AS INSTRUMENT NO. 04-19367 OF OFFICIAL RECORDS, AS APPROVED BY LOT LINE ADJUSTMENT 04-20, AS PER DOCUMENT RECORDED AUGUST 28, 2004 AS INSTRUMENT NO. 00-36930 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 10 OF TRACT NO. 04-22, VILLAGE EAST CLUSTER, RECORDED JULY 14, 2004 IN BOOK 53, PAGE 33 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 57° 05' 11" WEST 219.91 FEET; THENCE NORTH 45.89 FEET; THENCE NORTH 31° 57' 29" WEST 75 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 31° 57' 29" WEST 76.47 FEET; THENCE NORTH 60° 34' 36" WEST 25.94 FEET; THENCE EAST 44.63 FEET; THENCE SOUTH 13° 21' 31" EAST 79.78 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT FROM RESULTANT PARCEL A THAT PORTION AS APPROVED BY LOT LINE ADJUSTMENT NO. 04-20, AS PER DOCUMENT RECORDED AUGUST 28, 2004 AS INSTRUMENT NO. 04-36930 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 10 OF TRACT NO. 04-22, VILLAGE EAST CLUSTER, RECORDED JULY 14, 2004 IN BOOK 53, PAGE 33 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 57° 05' 11" WEST 219.91 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45.89 FEET; THENCE NORTH 31° 57' 29" WEST 75 FEET; THENCE SOUTH 13° 21' 31" EAST 101.81 FEET; THENCE SOUTH 57° 05' 11" EAST 19.27 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM RESULTANT PARCEL A THAT PORTION AS APPROVED BY LOT LINE ADJUSTMENT NO. 04-20, AS PER DOCUMENT RECORDED AUGUST 28, 2004 AS INSTRUMENT NO. 04-36930 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 10 OF TRACT NO. 04-22, VILLAGE EAST CLUSTER, RECORDED JULY 14, 2004 IN BOOK 53, PAGE 33 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 57° 05' 11" WEST 219.91 FEET; THENCE NORTH 45.89 FEET; THENCE NORTH 31° 57' 29" WEST 151.47 FEET; THENCE NORTH 60° 24' 36" WEST 25.94 FEET TO THE TRUE POINT OF BEGINNING; THENCE WEST 210.01 FEET; THENCE NORTH 63° 41' 58" EAST 55.72 FEET; THENCE EAST 116.28 FEET; THENCE SOUTH 60° 34' 36" EAST 50.26 FEET TO THE TRUE POINT OF BEGINNING.

Exhibit "C"
Legal Description of Greenhills' Real Property

The following described property is located in the City of Chowchilla, County of Madera, State of California:

WITHIN BLOCK 8 OF GREENHILLS ESTATE:

OUTLOTS B, E, F, J, L, K, A-1 AND A-2 OF TRACT MAP NO. 93-02, GREENHILLS ESTATES & GOLF CLUB, BLOCK 8, IN THE CITY OF CHOWCHILLA, COUNTY OF MADERA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED JULY 29, 2002 IN BOOK 50 OF MAPS, AT PAGES 59 THROUGH 65, INCLUSIVE, MADERA COUNTY RECORDS.

APNs: 014-130-030, 014-130-031, 014-130-033, 014-130-034, 014-131-048 through 014-131-050, 014-132-045, and 014-132-046

WITHIN BLOCK 10 OF GREENHILLS ESTATE:

OUTLOTS F THROUGH O, OF TRACT 93-02, BLOCK 10, GREENHILLS ESTATES & GOLF CLUB, IN THE CITY OF CHOWCHILLA, COUNTY OF MADERA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED FEBRUARY 20, 2004, IN BOOK 52, PAGES 92 THROUGH 98, INCLUSIVE OF MAPS, MADERA COUNTY RECORDS.

APNs: 014-172-017, 014-172-018, 014-173-018 through 014-173-023, and 014-173-025

WITHIN BLOCK 12 OF GREENHILLS ESTATE:

OUTLOTS A THROUGH X, INCLUSIVE OF TRACT 93-02 BLOCK 12, GREENHILLS ESTATES & GOLF CLUB ACCORDING TO THE MAP THEREOF RECORDED MAY 27, 2004 IN BOOK 52 OF MAPS AT PAGES 150 THROUGH 159, INCLUSIVE OF MAPS, MADERA COUNTY RECORDS.

APNs: 014-191-022, 014-191-038 through 014-191-049, 014-192-015, 014-192-016, and 014-193-023 through 014-193-031

WITHIN BLOCK 13 OF GREENHILLS ESTATE:

OUTLOTS A THROUGH K OF TRACT MAP NO. 93-02, GREENHILLS ESTATES AND GOLF CLUB, BLOCK 13, IN THE CITY OF CHOWCHILLA, COUNTY OF MADERA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF IN BOOK 53 OF MAPS AT PAGES 13-19, MADERA COUNTY RECORDS.

APNs: 014-220-053 through 014-220-063

WITHIN BLOCK 14 OF GREENHILLS ESTATE:

OUTLOTS I, J, K, L, O, P, Q, R, X, Y AND EE OF TRACT 93-02, BLOCK 14, AS SHOWN ON THE MAP RECORDED JULY 19, 2004, IN BOOK 53 OF MAPS, AT PAGES 44-55, OFFICIAL RECORDS OF MADERA COUNTY.

APNs: 014-230-001 through 014-230-013, 014-231-037 through 014-231-044, 014-232-031 through 014-232-036, 014-233-019 through 014-233-021, 014-234-030, and 014-234-031

WITHIN BLOCK 15 OF GREENHILLS ESTATE:

OUTLOTS A, B, C, D, F, O, P, Q, R AND V OF TRACT 93-02, BLOCK 15, AS SHOWN ON THE MAP RECORDED JULY 1, 2004, IN BOOK 53 OF MAPS, AT PAGES 25-31, OFFICIAL RECORDS OF MADERA COUNTY.

APNs: 014-212-022 through 014-212-027, 014-211-033 through 014-211-043

Exhibit "D"
Legal Description of The Villas' Real Property

The following described property is located in the City of Chowchilla, County of Madera, State of California:

OUTLOTS A THROUGH Z, AA, BB, DD AND DESIGNATED REMAINDER LOT 1, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "TRACT MAP NO. 03-06 THE VILLAS" IN THE CITY OF CHOWCHILLA, COUNTY OF MADERA, STATE OF CALIFORNIA, FILED FOR RECORD ON JUNE 4, 2004 IN BOOK 53, PAGE 4 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APNs: 014-200-053, 014-200-075 through 014-200-077, 014-200-079 through 014-200-094, 014-201-045 through 014-201-052, 014-201-054, and 014-241-044

Exhibit "E"
Legal Description of The Lakes RV Park's Real Property

The following described property is located in the City of Chowchilla, County of Madera, State of California:

Common Area Lot 88, and Outlots B, C, D, E, F, G, H, I, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB and CC as shown on the map entitled Tract 04-28, the Lakes RV and Golf Resort, which map was filed in the office of the Recorder of the County of Madera, State of California, in Book 54 of Maps at Page 31-35, Madera County Records.

APNs: 014-241-088, 014-240-040, 014-240-041, 014-240-013 through 014-240-018, and 014-240-020 through 014-240-038

Exhibit "F"
Surface Area of Each Lake Assuming Full Capacity

<u>Lake Number</u>	<u>Surface Area (Square Feet)</u>	<u>Surface Area (Acres)</u>
1	65,000	1.49
2	85,000	1.95
3	301,043	6.91
4	177,678	4.08
5	131,200	3.01
6	154,000	3.54
7	68,900	1.58
8	587,000	13.48
9	29,560	0.68
10	224,271	5.15
11	45,625	1.05
12	205,200	4.71
13	392,040	9.00
14	548,856	12.60
15	121,968	2.80
TOTAL (All Lakes)	3,137,341	72.03

2022023562

Rebecca Martinez
Madera County Clerk-Recorder

09/13/2022 09:31 AM
PHEASANT RUN LLC

Titles: 1 Pages: 14
Fees: \$128.00
Taxes: \$0.00
Total: \$128.00



RECORDING REQUESTED BY:
See Below

When Recorded Mail To:
Pheasant Run, L.L.C.
c/o Martin Boone
1260 41st Avenue, Suite O
Capitola, California 95010

DOCUMENTARY TRANSFER TAX is \$0.00
(No Monetary Consideration)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

FIRST AMENDMENT TO AGREEMENT TO GRANT EASEMENTS AND LICENSES AND AMEND COVENANTS TO SUPPLY WATER AND LAKE MAINTENANCE

This First Amendment to Agreement to Grant Easements and Licenses and Amend Covenants to Supply Water and Lake Maintenance (this "Amendment") is made on April 4, 2022 by and among PHEASANT RUN, L.L.C., a California limited liability company ("PR")¹, whose address is 1260 41st Avenue, Suite O, Capitola, California 95010; GREENHILLS MASTER ASSOCIATION, a California nonprofit mutual benefit corporation ("GREENHILLS")², whose address is 5100 N. 6th Street, Suite 164, Fresno, California 93710; THE VILLAS OWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("THE VILLAS"), whose address is 5100 N. 6th Street, Suite 164, Fresno, California 93710; and THE LAKES RV PARK OWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("THE LAKES RV"), whose address is 1260 41st Avenue, Suite O, Capitola, California 95010.

RECITALS

A. WHEREAS, the parties hereto previously entered into that certain Agreement to Grant Easements and Licenses and Amend Covenants to Supply Water and Lake Maintenance dated July 1, 2021, which was recorded in the Official Records of Madera County on August 6, 2021 as Document No. 2021024766 (the "Agreement"). Among other things, the Agreement provides for the appointment of an oversight board for the purpose of overseeing maintenance of the Water Delivery System and determining the priority of distribution and allocation of Excess Water, if any, among the Lakes, as well as evaluating alternative sources of water and power for long-term sustainability in the event of anticipated water shortages. The Agreement is hereby incorporated into this Amendment by reference, and all capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement; and

B. WHEREAS, the parties hereto, being all of the owners of the affected Real Properties, which are legally described in Exhibits "A" through "D" hereto, now desire to amend the Agreement in certain respects, as set forth more fully below.

TERMS

1. **Recitals.** The recitals set forth above are true and correct in all material respects and are incorporated herein by this reference.

¹ PR may have taken title to some or all of the real properties noted herein under the name of "Pheasant Run, LLC, a California Limited Liability Company."

² GREENHILLS took title to some of the real properties noted herein and/or may also be known as GREENHILLS ESTATES HOMEOWNERS ASSOCIATION, GREENHILLS HOMEOWNERS ASSOCIATION, INC., and/or GREENHILLS HOMEOWNERS ASSOCIATION.

2. **Amendments.** The Agreement is amended as follows:

a. **Members.** Paragraph 2.a. of the Agreement, which is entitled "Members" and appears on pages 3 and 4 thereof, is hereby deleted in its entirety and replaced with the following:

Members. The Board shall consist of seven (7) members, including one (1) member to be appointed by THE VILLAS, one (1) member to be appointed by THE LAKES RV, three (3) members to be appointed by GREENHILLS, and two (2) members to be appointed by PR (one of which shall be a representative of the Golf Course for so long as the Golf Course is operating as such). Each of PR, GREENHILLS, THE VILLAS, and THE LAKES RV shall have the right to appoint one or more members to the Board as specified in the foregoing sentence, which appointment of such initial members shall be accomplished by means of providing written notice thereof to the other parties to this Agreement. Once appointed, a member shall remain on the Board until such time as he or she resigns, becomes deceased or incapacitated, is removed for cause by a majority of the other members (excluding the member whose removal is sought), is removed without cause by at least 66 2/3 percent of all of the other members (excluding the member whose removal is sought), or is removed for cause by the appointing party. Any member may resign by giving at least 30 days' written notice thereof to all of the parties hereto. Any vacancies on the Board shall be filled in the same manner as the appointment of the initial members to the Board (with each vacancy to be filled only by the party who had the right to initially appoint the member whose resignation, death, incapacity, or removal created the vacancy), except that such appointment to fill a vacancy shall be subject to the approval of at least 66 2/3 percent of all of the other members then serving on the Board. Whether 'cause' exists for removal of a member as provided herein shall depend on the particular facts and circumstances surrounding the subject removal. However, without limiting the generality of the foregoing and for purposes of example, 'cause' for removal shall be presumed to exist if the member whose removal is sought: (i) is no longer an owner, member, manager, affiliate, or associate of a party to this Agreement, (ii) is determined to have engaged in unethical conduct; or (iii) is determined to have engaged in repeated unprofessional and/or uncooperative behavior in relation to his or her service as a member of the Board."

b. **Specially Allocated System Costs.** The following paragraph shall be added to the Agreement as paragraph 3.d., immediately following paragraph 3.c. thereof:

Specially Allocated System Costs. Notwithstanding any other terms or conditions contained in this Agreement, the Board, by majority vote, shall have the right to determine, in its reasonable discretion, that certain System Costs, or fractions thereof, shall be paid exclusively by fewer than all of the Lake Owners ("Specially Allocated System Costs"), but only if the Board first determines that use of those components of the Water Delivery System that are associated with the Specially Allocated System Costs disproportionately benefits, or is otherwise limited to, the Lake Owners to be charged with said costs and provided that any such disproportionate benefit is determined to be substantial. In such instance, the Specially Allocated System Costs shall be allocated to the subject Lake Owners based on such percentage(s) as the Board determines in good faith to be fair and equitable under the circumstances. The authority of the Board as set forth in this paragraph shall be retroactively effective as of August 6, 2021."

c. **Replacement Wells.** In evaluating alternative sources of water, the Board shall have the authority to determine whether new and/or replacement wells (collectively, the "New Wells") are necessary or desirable for the proper functioning of the Water Delivery System. Any and all such New Wells shall fall within the definition of "Wells" (unless and to the extent the context of the Agreement requires otherwise), shall become a part of the Water Delivery System, and shall be subject to all terms of the Agreement. To the extent any such New Wells are located on property owned by PR (including its successors and assigns), whether in fee simple or pursuant to any easements or other rights; the License granted in paragraph 4 of the Agreement shall be deemed to apply to said New Well(s).

connection herewith, on behalf of a corporation, trust, or other entity represents and warrants that: a) he or she has the requisite authority to act on behalf of said corporation, trust, or other entity and bind said corporation, trust, or other entity to the terms of this Amendment; b) that the requisite authorization and consent from the Board of Directors, member(s), manager(s), partner(s), trustee(s), settlor(s), trustor(s), beneficiary/ies, or otherwise, as may be applicable and as may be required, has been duly given; and c) that no individual(s) other than those who are executing this Amendment on behalf of said corporation, trust, or other entity must execute this Amendment in order for the corporation, trust, or other entity to be bound hereby. Each and every individual signing this Amendment, including any and all documents being executed in connection herewith, represents and warrants that he or she has the requisite power and authority to execute this Amendment on his or her own behalf and that no other individual must execute this Amendment in order for each such individual party to be bound hereby.

5. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this First Amendment to Agreement to Grant Easements and Licenses and Amend Covenants to Supply Water and Lake Maintenance to be effective as of the date set forth in the preamble.

PHEASANT RUN, L.L.C.,
a California limited liability company

Dated: 6-15-22

By Martin Boone
Signature of Authorized Representative

MARTIN BOONE MANAGER
Print Name and Title of Authorized Representative

THE LAKES RV PARK OWNERS ASSOCIATION, a California
nonprofit mutual benefit corporation

Dated: 6-15-22

By Martin Boone
Signature of Authorized Representative

MARTIN BOONE PRESIDENT
Print Name and Title of Authorized Representative

THE VILLAS OWNERS ASSOCIATION,
a California nonprofit mutual benefit corporation

Dated: _____

By _____
Signature of Authorized Representative

Print Name and Title of Authorized Representative

[Signatures Continue on the Following Page]

3. **Continued Validity of Agreement.** The purpose of this Amendment is to modify certain terms of the Agreement only. Except to the extent so modified by this Amendment, all terms of the Agreement shall remain in full force and effect. This Amendment shall hereinafter be deemed to be a part of the Agreement.

4. **Warranties and Representations.** Each of the parties hereto severally warrants and represents to one another that he/she/it/they has/have full right, power, and authority to give the agreements described herein and to execute and deliver this Amendment. Each of the parties further severally warrants and represents that, by entering into this Amendment, he/she/it/they is/are not violating any other agreement or court order. Any individual(s) signing this Amendment, including any and all documents being executed in connection herewith, on behalf of a corporation, trust, or other entity represents and warrants that: a) he or she has the requisite authority to act on behalf of said corporation, trust, or other entity and bind said corporation, trust, or other entity to the terms of this Amendment; b) that the requisite authorization and consent from the Board of Directors, member(s), manager(s), partner(s), trustee(s), settlor(s), trustor(s), beneficiary/ies, or otherwise, as may be applicable and as may be required, has been duly given; and c) that no individual(s) other than those who are executing this Amendment on behalf of said corporation, trust, or other entity must execute this Amendment in order for the corporation, trust, or other entity to be bound hereby. Each and every individual signing this Amendment, including any and all documents being executed in connection herewith, represents and warrants that he or she has the requisite power and authority to execute this Amendment on his or her own behalf and that no other individual must execute this Amendment in order for each such individual party to be bound hereby.

5. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this First Amendment to Agreement to Grant Easements and Licenses and Amend Covenants to Supply Water and Lake Maintenance to be effective as of the date set forth in the preamble.

PHEASANT RUN, L.L.C.,
a California limited liability company

Dated: _____

By _____
Signature of Authorized Representative

Print Name and Title of Authorized Representative

THE LAKES RV PARK OWNERS ASSOCIATION, a California
nonprofit mutual benefit corporation

Dated: _____

By _____
Signature of Authorized Representative

Print Name and Title of Authorized Representative

THE VILLAS OWNERS ASSOCIATION,
a California nonprofit mutual benefit corporation

Dated: 9-12-22

By Mark Ridge
Signature of Authorized Representative

Pres. Villas HOA - Mark Ridge
Print Name and Title of Authorized Representative

[Signatures Continue on the Following Page]

GREENHILLS MASTER ASSOCIATION

, a California nonprofit mutual benefit corporation, which took title to some of the properties referenced above and/or may also be known as GREENHILLS ESTATES HOMEOWNERS ASSOCIATION, GREENHILLS HOMEOWNERS ASSOCIATION, INC., and/or GREENHILLS HOMEOWNERS ASSOCIATION

Dated: 15 August 2022

By Sheila L. Stocker, CFO
Signature of Authorized Representative

SHEILA L. STOCKER, CFO
Print Name and Title of Authorized Representative

Dated: 8/25/2022

By [Signature]
Signature of Authorized Representative

PATRICK CAENNY VICE PRESIDENT
Print Name and Title of Authorized Representative

Dated: 8/25/2022

By Bill Van Patten
Signature of Authorized Representative

Bill Van Patten President
Print Name and Title of Authorized Representative

Exhibit "A"
Legal Description of Golf Course Property

[Description Appears in Grant Deed Recorded on 1/16/2006 as Document No. 2008001579]

The following described property is located in the City of Chowchilla, County of Madera, State of California:

RESULTANT PARCEL A OF LOT LINE ADJUSTMENT NO. 04-14, AS DISCLOSED BY DEED RECORDED MAY 28, 2004 AS INSTRUMENT NO. 04-22380 OF OFFICIAL RECORDS, BEING A DIVISION OF PARCEL 2B (AS CORRECTED BY CERTIFICATE RECORDED APRIL 27, 2004 AS INSTRUMENT NO. 04-17677 OF OFFICIAL RECORDS) OF PARCEL MAP NO. 03-47, ACCORDING TO THE MAP RECORDED JANUARY 22, 2004 IN BOOK 52, PAGE 69 OF MAPS, IN THE OFFICE OF THE COUNTY OF RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF RESULTANT PARCEL B OF LOT LINE ADJUSTMENT NO. 04-04 AS PER DOCUMENT RECORDED MAY 8, 2004 AS INSTRUMENT NO. 04-19367 OF OFFICIAL RECORDS, AS APPROVED BY LOT LINE ADJUSTMENT 04-20, AS PER DOCUMENT RECORDED AUGUST 28, 2004 AS INSTRUMENT NO. 00-36930 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 10 OF TRACT NO. 04-22, VILLAGE EAST CLUSTER, RECORDED JULY 14, 2004 IN BOOK 53, PAGE 33 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 57° 05' 11" WEST 219.91 FEET; THENCE NORTH 45.89 FEET; THENCE NORTH 31° 57' 29" WEST 75 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 31° 57' 29" WEST 76.47 FEET; THENCE NORTH 60° 34' 36" WEST 25.94 FEET; THENCE EAST 44.63 FEET; THENCE SOUTH 13° 21' 31" EAST 79.78 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT FROM RESULTANT PARCEL A THAT PORTION AS APPROVED BY LOT LINE ADJUSTMENT NO. 04-20, AS PER DOCUMENT RECORDED AUGUST 28, 2004 AS INSTRUMENT NO. 04-36930 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 10 OF TRACT NO. 04-22, VILLAGE EAST CLUSTER, RECORDED JULY 14, 2004 IN BOOK 53, PAGE 33 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 57° 05' 11" WEST 219.91 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45.89 FEET; THENCE NORTH 31° 57' 29" WEST 75 FEET; THENCE SOUTH 13° 21' 31" EAST 101.81 FEET; THENCE SOUTH 57° 05' 11" EAST 19.27 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM RESULTANT PARCEL A THAT PORTION AS APPROVED BY LOT LINE ADJUSTMENT NO. 04-20, AS PER DOCUMENT RECORDED AUGUST 28, 2004 AS INSTRUMENT NO. 04-36930 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 10 OF TRACT NO. 04-22, VILLAGE EAST CLUSTER, RECORDED JULY 14, 2004 IN BOOK 53, PAGE 33 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 57° 05' 11" WEST 219.91 FEET; THENCE NORTH 45.89 FEET; THENCE NORTH 31° 57' 29" WEST 151.47 FEET; THENCE NORTH 60° 24' 36" WEST 25.94 FEET TO THE TRUE POINT OF BEGINNING; THENCE WEST 210.01 FEET; THENCE NORTH 63° 41' 58" EAST 55.72 FEET; THENCE EAST 116.28 FEET; THENCE SOUTH 60° 34' 36" EAST 50.26 FEET TO THE TRUE POINT OF BEGINNING.

Exhibit "B"
Legal Description of Greenhills' Real Property

The following described property is located in the City of Chowchilla, County of Madera, State of California:

WITHIN BLOCK 8 OF GREENHILLS ESTATE:

OUTLOTS B, E, F, J, L, K, A-1 AND A-2 OF TRACT MAP NO. 93-02, GREENHILLS ESTATES & GOLF CLUB, BLOCK 8, IN THE CITY OF CHOWCHILLA, COUNTY OF MADERA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED JULY 29, 2002 IN BOOK 50 OF MAPS, AT PAGES 59 THROUGH 65, INCLUSIVE, MADERA COUNTY RECORDS.

APNs: 014-130-030, 014-130-031, 014-130-033, 014-130-034, 014-131-048 through 014-131-050, 014-132-045, and 014-132-046

WITHIN BLOCK 10 OF GREENHILLS ESTATE:

OUTLOTS F THROUGH O, OF TRACT 93-02, BLOCK 10, GREENHILLS ESTATES & GOLF CLUB, IN THE CITY OF CHOWCHILLA, COUNTY OF MADERA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED FEBRUARY 20, 2004, IN BOOK 52, PAGES 92 THROUGH 98, INCLUSIVE OF MAPS, MADERA COUNTY RECORDS.

APNs: 014-172-017, 014-172-018, 014-173-018 through 014-173-023, and 014-173-025

WITHIN BLOCK 12 OF GREENHILLS ESTATE:

OUTLOTS A THROUGH X, INCLUSIVE OF TRACT 93-02 BLOCK 12, GREENHILLS ESTATES & GOLF CLUB ACCORDING TO THE MAP THEREOF RECORDED MAY 27, 2004 IN BOOK 52 OF MAPS AT PAGES 150 THROUGH 159, INCLUSIVE OF MAPS, MADERA COUNTY RECORDS.

APNs: 014-191-022, 014-191-038 through 014-191-049, 014-192-015, 014-192-016, and 014-193-023 through 014-193-031

WITHIN BLOCK 13 OF GREENHILLS ESTATE:

OUTLOTS A THROUGH K OF TRACT MAP NO. 93-02, GREENHILLS ESTATES AND GOLF CLUB, BLOCK 13, IN THE CITY OF CHOWCHILLA, COUNTY OF MADERA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF IN BOOK 53 OF MAPS AT PAGES 13-19, MADERA COUNTY RECORDS.

APNs: 014-220-053 through 014-220-063

WITHIN BLOCK 14 OF GREENHILLS ESTATE:

OUTLOTS I, J, K, L, O, P, Q, R, X, Y AND EE OF TRACT 93-02, BLOCK 14, AS SHOWN ON THE MAP RECORDED JULY 19, 2004, IN BOOK 53 OF MAPS, AT PAGES 44-55, OFFICIAL RECORDS OF MADERA COUNTY.

APNs: 014-230-001 through 014-230-013, 014-231-037 through 014-231-044, 014-232-031 through 014-232-036, 014-233-019 through 014-233-021, 014-234-030, and 014-234-031

WITHIN BLOCK 15 OF GREENHILLS ESTATE:

OUTLOTS A, B, C, D, F, O, P, Q, R AND V OF TRACT 93-02, BLOCK 15, AS SHOWN ON THE MAP RECORDED JULY 1, 2004, IN BOOK 53 OF MAPS, AT PAGES 25-31, OFFICIAL RECORDS OF MADERA COUNTY.

APNs: 014-212-022 through 014-212-027, 014-211-033 through 014-211-043

Exhibit "C"
Legal Description of The Villas' Real Property

The following described property is located in the City of Chowchilla, County of Madera, State of California:

OUTLOTS A THROUGH Z, AA, BB, DD AND DESIGNATED REMAINDER LOT 1, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "TRACT MAP NO. 03-06 THE VILLAS" IN THE CITY OF CHOWCHILLA, COUNTY OF MADERA, STATE OF CALIFORNIA, FILED FOR RECORD ON JUNE 4, 2004 IN BOOK 53, PAGE 4 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APNs: 014-200-053, 014-200-075 through 014-200-077, 014-200-079 through 014-200-094, 014-201-045 through 014-201-052, 014-201-054, and 014-241-044

Exhibit "D"
Legal Description of The Lakes RV's Real Property

The following described property is located in the City of Chowchilla, County of Madera, State of California:

Common Area Lot 88, and Outlots B, C, D, E, F, G, H, I, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB and CC as shown on the map entitled Tract 04-28, the Lakes RV and Golf Resort, which map was filed in the office of the Recorder of the County of Madera, State of California, in Book 54 of Maps at Page 31-35, Madera County Records.

APNs: 014-241-088, 014-240-040, 014-240-041, 014-240-013 through 014-240-018, and 014-240-020 through 014-240-038

1 **PROOF OF SERVICE**

2 *Greenhills Master Association v. The Board, et al.*
3 Case No. MCV095445

4 **STATE OF CALIFORNIA, COUNTY OF FRESNO**

5 At the time of service, I was over 18 years of age and not a party to this action. I am
6 employed in the County of Fresno, State of California. My business address is 7471 N.
Remington Avenue, Suite 101, Fresno, CA 93711.

7 On December 8, 2025, I served true copies of the following document(s) described as
8 **FIRST AMENDED COMPLAINT FOR: (1) Rescission; (2) Breach of Covenant of Good
9 Faith & Fair Dealing; (3) Breach of Contract; (4) Breach of Fiduciary Duty; (5) Aiding And
10 Abetting Breach of Fiduciary Duty; (6) Enforcement of Covenants Post-Rescission; (7)
Promissory Estoppel; (8) Restitution by Unjust Enrichment; (9) Fraud; (10) Penal Code
Section 496; (11) Accounting; (12) Appointment of A Receiver; (13) Nuisance;
(14) Negligence Per Se – Violation of Penal Code Section 597; and (15) Fraud – Concealment**
on the interested parties in this action as follows:

11 **SEE ATTACHED SERVICE LIST**

12 **BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed to the
13 persons at the addresses listed in the Service List and placed the envelope for collection and
14 mailing, following our ordinary business practices. I am readily familiar with the practice of
15 Sarabian Law, A.P.C. for collecting and processing correspondence for mailing. On the same day
16 that correspondence is placed for collection and mailing, it is deposited in the ordinary course of
business with the United States Postal Service, in a sealed envelope with postage fully prepaid. I
am a resident or employed in the county where the mailing occurred. The envelope was placed in
the mail at Fresno, California.

17 **BY E-MAIL OR ELECTRONIC TRANSMISSION:** I caused a copy of the document(s)
18 to be sent from e-mail address jbenett@sarabianlaw.com to the persons at the e-mail addresses
19 listed in the Service List. I did not receive, within a reasonable time after the transmission, any
20 electronic message or other indication that the transmission was unsuccessful.

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

23 Executed on December 8, 2025, at Fresno, California.

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25 _____
26 Jacquelyn Bennett
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SERVICE LIST
Greenhills Master Association v. The Board, et al.
Case No. MCV095445

Matthew Gerald Backowski
Stephanie T. Kokka
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skokka@backowskilawgroup.com
cyoungman@backowskilawgroup.com

*Attorney for Martin Boone, Pheasant Run,
LLC and Water Resource Council*

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sshahinfar@ohaganmeyer.com
lmorris@ohaganmeyer.com

*Attorney for Dan Bacci, Sierra Golf Operations
LLC adba Sierra Golf Management as Doe
and Suzanne Price*

Bradley A. Silva
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Fresno, CA 93711
Email: bas@silvalawoffice.net

*Attorney for Dan Bacci and Sierra Golf
Operations LLC adba Sierra Golf
Management as Doe 1*

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timothy.lam@fmglaw.com
ricky.zapardiel@fmglaw.com

*Attorney for Shiela Stocker and Andrew
Creighton*