

CABIN OWNERSHIP AGREEMENT

This Agreement is made on the date last signed below by and between Allan Adams and Becky Adams, husband and wife, hereinafter “Adams” and Charles Daniels and Doris Daniels, husband and wife, hereinafter “Daniels” subject to the terms, conditions and covenants which follow:

1. Subject Matter. Adams and Daniels are each owners of a 50% undivided interest in certain improvements located at Lot 1, Tranquil Recreation Unit, Happy Ranger District, High Mountain National Forest, Any County, California. Allan Adams is the holder of a Term Special Use Permit issued in his name authorizing the construction, maintenance, and occupancy of real property on which the improvement is situate under a Term Special Use Permit issued by Happy Ranger District, High Mountain National Forest, Any County, California on the _____ day of _____ under Term Special Use Permit, FS #10001. By this agreement the parties acknowledge co-ownership of the improvements as tenants in common and memorialize each parties beneficial right in and to the Term Special Use Permit, including its rights of surrender and transferability or sale under the terms of this agreement; and to each parties rights as tenants in common of ownership, maintenance and use provided in this agreement.

2. Consideration. In consideration of this agreement:
 - a. Adams has delivered a Bill of Sale providing that Allan Adams and Becky Adams, husband and wife as tenants by the entirety hold an undivided 1/2 interest with Charlie Daniels and Doris Daniels, husband and wife as tenants by the entirety of the 1/2 interest each as tenants in common with the other;

 - b. Adams shall provide notice to Happy Ranger District, High Mountain National Forest, Any County, California, of the joint ownership of the joint ownership of the improvements, in such form as may be required of the Forest Service to acknowledge Daniels rights of ownership of the improvements and of the right to substitute one or more of the owners as permittee under the Term Special Use Permit as provided in this agreement.

3. Use Agreement. Each of the parties hereto agrees to the covenants set forth below concerning occupancy of the improvements and terms of use; payments to the Forest Service under the Term Special Use Permit; fees, taxes and insurance, assessments and utilities, as well as costs of repair and restoration; and provisions relating to transfers of Term Special Use Permit, and transfer of ownership of the improvements burden and benefit the parties immediate family and third party transferees.
 - a. Amendment. The terms of this agreement providing for terms and conditions of use, setting of calendars, scheduling of payments, or the transfer of the Term Special Use Permit to one or more of the co-owners may be amended at any time upon the affirmative vote of 3/4 or more of those persons holding a beneficial interest in and to this agreement. Provisions regarding the terms of transfers to third parties shall

require the affirmative vote of not less than 90% of the persons holding a beneficial interest in this agreement.

4. Transfer of Permit. The Term Special Use Permit referenced above shall be held by Allan Adams, individually, but as Trustee for the owners' of the improvements in proportion to their ownership interest. Should the holder of the Term Special Use Permit sell his interest in the improvements or apply to transfer the duties the remaining owners of the improvement shall designate a qualified individual, couple or trust to hold the Term Special Use Permit, based upon a vote of the owners owning a majority interest. The owners of the improvements, holding not less than a 3/4 interest cause the holder of the permit to be removed and a new permittee appointed.
5. Permit Holder's Duties. The holder of the Term Special Use Permit shall:
 - a. Establish one or more bank accounts from which to pay all Special Use Fees, taxes, insurance, utilities, repairs and maintenance.
 - b. Establish an annual budget, set all fees and collect proportional contributions from each owner in accordance with his or her ownership interest and pay all pay all Special Use fees, taxes, insurance, utilities, repairs and maintenance.
 - c. Sent out assessments and provide annual accounting to all owners.
 - d. Contract for and pay for all maintenance and repair provided, that all maintenance or repair exceeding \$10,000 shall be authorized by not fewer than those holding a 50% ownership interest in the improvements.
 - e. Create and maintain a calendar for use by each owner.
 - f. Call and conduct all meetings of the owners.
 - g. Facilitate the sale, transfer or exchange of owners' interests as provided in this agreement.
6. Transfer of Ownership Interest. Each party to this agreement can transfer his or her interests in ownership of the improvements and the right of possession and occupancy under the Term Special Use Permit to that parties issue, as the term is defined by California law. provided however that no interest shall be transferred which creates less than a 10% interest in the improvements and permit. All transferees receiving an interest under the terms of this paragraph shall be bound by all other terms and provisions of this Cabin Ownership Agreement as continuing covenants which may be enforced against any owner of the improvements.
7. Calendar of Use. Each owner shall be entitled to proportional usage during the summer in accordance with his or her proportion of beneficial interest. The right of selection of weeks

of use shall be established on a rotating basis between each owner. Each owner may designate separate one week periods of use, or up to 2 weeks continuously in the case of a married couple or domestic partners. During the periods of June 15 through September 15 of each year, weeks not booked will be available to each owner on a first come, first serve basis. The calendar for each year shall be set not later than the beginning of the Memorial Day weekend of each year.

8. Periods of Joint Use. The following periods shall be set aside for joint use by all owners:

Memorial Day weekend
Labor Day weekend
9. Suspension of Right of Use: Forces Termination of Ownership Interest. Each owner shall pay his or her proportional share of all user fees assessed in accordance with paragraph 5 within 30 days of written notice. All fees or assessments not paid within 180 days from the date of written notice shall result in a suspension of the right of use of the improvements, but shall not suspend subsequent costs or assessments. Should any owner fail to pay any portion of an assessment within 36 months from the date its should have been paid the permit trustee may cause a forced sale of that person's interest or continue the owner's suspension of use until the past due amount has been paid. In the event of forced sale the unpaid costs, fees or assessments shall be taken as a credit towards the payment due the seller.
10. Mediation. As a condition precedent to any litigation initiated by any party to this agreement, each party hereto agrees any dispute shall be subject to mediation before a suitably qualified and licenses mediator with offices in Any County, California. No attorneys fees may be awarded to any prevailing party unless the mediation has been concluded.
11. Attorneys Fees, Costs and Disbursements. In the event any party to this agreement is required to employ the services of an attorney to enforce any terms or provision of this agreement, the prevailing party shall be entitled to recover from the other the party's costs, disbursements and attorneys fees for all services rendered subsequent to mediation fees on arbitration, trial or on appeal.
12. Transfer. The transfer of ownership of the improvements and of the permit to any party, other than to the issue of a party is subject to the following:
 - a. Should an owner wish to sell his or her interest, or should it be subject to forced sale he or she shall offer it to each of the other owners in proportion to their ownership interest. Should an owner not elect to purchase the proportional interest is shall be offered to the others, again in proportion to their interest. If not purchased by one or more owners the interest may be purchased by any other existing owner. In the event the seller and purchaser can not agree on the price, or terms of payment, the holder of the Term Special Use Permit shall cause the Special Use Permit and improvements to be appraised by a suitably qualified and licensed appraiser with a purchase price set at 75% of the appraised value and reduced in proportion to the owner's interest

as it bears to the whole. A seller dissatisfied with the appraised value may commission at his or her own expense a second appraisal and the two appraisals shall be averaged to establish a value. No forced sale shall occur unless all interests of the terminating owner shall be subscribed and purchased.

- b. Unless the seller and purchasers agree on other terms, the seller shall received an initial payment of 25% of the purchase price with the balance memorialized by a promissory note and installment sale agreement, providing that the note be a amortized for a period of not more than 5 years at 6% interest. Interest shall commence on the date of sale, or not later than 60 days following the date of the valuation that the owner's interest has been established.
 - c. In the event the interest of an owner is not purchased by the others, the withdrawing owner may offer the interest for sale to a third party, subject to all terms, conditions and covenants within this agreement. The remaining owners shall retain a right of first refusal to purchase the interest of the withdrawing owner at the price and on the terms and conditions of sale being offered to the third party. The withdrawing owner shall provide the others not less than 30 days written notice of the proposed terms of sale to any third party.
 - d. The remaining beneficial owners shall have 30 days to communicate their acceptance of the offer and 30 days to complete the purchase of the withdrawing owner's interest at the same price and terms offered to the third party.
13. Termination of This Agreement. The owners holding not less than a 3/4 interest may elect to terminate this agreement and cause the improvements and permit to be offered for sale on the open market. The proceeds after payment of all costs, expenses and unpaid assessments shall be distributed in proportion to the ownership interests of each owner.
14. Covenants. Each of the parties hereto covenants that the terms and conditions contained within this agreement shall be covenants which benefit and burden the ownership interest herein conveyed to the other that the same shall bind each parties heirs, successors or assigns.
15. No Partition. The parties covenant and agree that all terms and provisions regarding the transfer, sale and termination of this agreement and governed by contract, and that the property shall not be subject to statutory partition or sale.

IN WITNESS WHEREOF, the parties have entered this agreement on the date last opposite their signatures.

Dated: _____

Allan Adams

Dated: _____
Becky Adams

Dated: _____
Charlie Daniels

Dated: _____
Doris Daniels

STATE OF CALIFORNIA)
)ss.
County of Any)

Acknowledged before me on the _____ day of _____, 2016.

Notary Public