

Doc No: 1996-036832

Rec No: 00005869

Recording requested by:

Spyglass Ridge Villas Homeowners Associat

Official Records
San Luis Obispo Co.
Julie L. Rodewald
Recorder
Jul 24, 1996
Time: 10:34

RF 13.00

When recorded return to:

820 Walnut Street
San Luis Obispo CA 93401

[3]

TOTAL 13.00

SECOND
DECLARATION OF AMENDMENTS
SPYGLASS RIDGE VILLAS
TRACT NO. 1307 UNIT 1
PHASE II

THIS DECLARATION OF AMENDMENT is made this 16th day of July, 1996, by SPYGLASS RIDGE VILLAS HOMEOWNERS' ASSOCIATION, a planned residential development homeowners' association, hereinafter referred to as "Declarant", with reference to the following facts:

A. The Declarant acts pursuant to the Declaration of Covenants, Conditions and Restrictions which were recorded on August 1, 1988 in Book 3179, Page 312 of Official Records of San Luis Obispo County and re-recorded for technical correction on the 18th day of August, 1988 in Book 316, Page 116 hereafter collectively referred to as "The Declaration". Said Declaration applies to Tract 1307, Unit 2 Phase I which map was filed for record in the office of San Luis Obispo County Recorder on the 21st day of January, 1987 in Book 13 of Maps, Page 73. Said Declaration also applies to Tract 1307, Unit 1 Phase II which Map was filed for record on the 22nd day of April, 1988 in Book 14 of Maps, Page 58 filed for record in the office of the San Luis Obispo Recorder on the 22nd.

B. Pursuant to above said Declaration, at Article VIII, allowing amendments to Declaration, the Declaration of Annexation, Spyglass Ridge regarding Tract 1307, Unit 1, Phase II recorded in the Office of the San Luis Obispo County Recorder on the 24th day of August, 1989, and attached hereto, is hereby amended as follows:

C. Said Declaration of Annexation subsection (D) is hereby amended to read as follows:

Existing language of Subsection (D):

"D. The buildings to be constructed on the annexed lots, with the exception of Lots 7 and 8 of said Tract, will be attached, common wall structures with connecting roofs, and therefore it is appropriate that maintenance of buildings, roofs, and common driveways, and fire insurance for the lots having common wall structures, be furnished by the Association."

Shall be amended to read as follows:

"D. The buildings to be constructed on the annexed lots with the exception of lots 7, 8, 19, 20, 21, 22, 23, and 24 will be attached common wall structures with connecting roofs and therefore it is appropriate that the maintenance of buildings, roofs and common driveways and fire insurance for lots having common wall structures be furnished by the association.

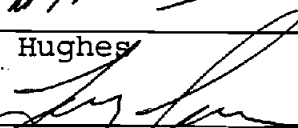
Lots 19, 20, 21, 22, 23 and 24 have been merged and will be built pursuant to Article VI of the Declaration and comply with the lot use restriction contained in Article VI of the use restrictions contained in the declaration."

D. All other provisions regarding the Declaration of Annexation recorded August 24, 1989 remain in effect.

**SPYGLASS RIDGE HOMEOWNERS' ASSOCIATION
BOARD OF DIRECTORS**



Don Hughes



Gary Grossman



Terry Whittaker




Martha Kay Cross



Lori Baker
LAURIE

ACKNOWLEDGMENT

WITNESSED BY:



KATHLEEN WARFIELD

RECEIVED JUL 27 1996

Doc No: 1996-036650

Rec No: 00005663

Recording requested by:

Spyglass Ridge Villas Homeowners Association

When recorded return to:

820 Walnut Street
San Luis Obispo CA 93401

Official Records
San Luis Obispo Co.
Julie L. Rodewald
Recorder
Jul 23, 1996
Time: 16:46

[3]

RF 13.00
TOTAL 13.00

FIRST
DECLARATION OF AMENDMENTS
SPYGLASS RIDGE VILLAS
TRACT NO. 1307 UNIT 1
PHASE II

THIS DECLARATION OF AMENDMENT is made this 16th day of July, 1996, by SPYGLASS RIDGE VILLAS HOMEOWNERS' ASSOCIATION, a planned residential development homeowners' association, hereinafter referred to as "Declarant", with reference to the following facts:

A. The Declarant acts pursuant to the Declaration of Covenants, Conditions and Restrictions which were recorded on the August 1, 1988 in Book 3179, Page 312 of Official Records of San Luis Obispo County and rerecorded for technical correction on the 18th day of August, 1988 in Book 316, Page 116 hereafter collectively referred to as "The Declaration". Said Declaration applies to Tract 1307, Unit 2 Phase I which map was filed for record in the office of San Luis Obispo County Recorder on the 21st day of January, 1987 in Book 13 of Maps, Page 73. Said Declaration also applies to Tract 1307, Unit 1 Phase II which Map was filed for record on the 22nd day of April, 1988 in Book 14 of Maps, Page 58 filed for record in the office of the San Luis Obispo Recorder on the 22nd.

B. Pursuant to above said Declaration, Article VIII, allowing amendments to Declaration, the Declaration of Covenants, Conditions and Restrictions of Spyglass Ridge Villas, A Planned Residential Development, Tract 1307, Unit Two, Phase I filed for record in the Office of the San Luis Obispo County Recorder on the 18th day of August, 1988 and attached hereto is hereby amended as follows:

C. Said Declaration at Article VI, L (3)(g) entitled "Building Height Requirements" is hereby amended to read as follows:

Existing language of Subsection (g):

"(g) Building Height Requirements: Structures developed on single family lots shall not exceed a building height of twenty-five feet (25') above the grade existing prior to the development of the tract."

Shall be amended to read as follows:

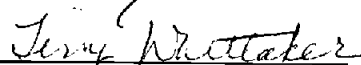
"(g) Building Height Requirements: Structures developed on single family lots shall not exceed a building height of twenty-five feet (25') above the grade existing prior to the development of the tract, except that structures developed on single family lots numbered 17-25 shall not exceed a building height of thirteen feet (13') above the highest point of the curb on their property line."

D. All other provisions of the Declaration of Covenants, Conditions and Restrictions recorded August 18, 1988.

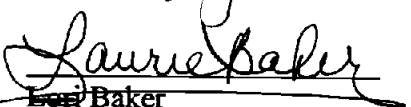
**SPYGLASS RIDGE HOMEOWNERS' ASSOCIATION
BOARD OF DIRECTORS**


Don Hughes


Gary Grossman

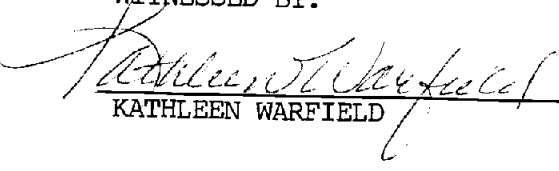

Terry Whittaker


Martha Kay Cross


Laurie Baker
LAURIE

ACKNOWLEDGMENT

WITNESSED BY:


KATHLEEN WARFIELD

Recording requested by:
CUESTA TITLE GUARANTY CO.

DOC. NO.
OFFICIAL RECORDS
SAN LUIS OBISPO, CAL

When recorded return to:

SEP 29 1988

STEPHEN N. COOL
Attorney at Law
1577 El Camino Real
Arroyo Grande, CA 93420

FRANCIS M. COONEY
County Clerk Recorder
TIME 11:30 AM

T. He Order 37274

DECLARATION OF ANNEXATION

SPYGLASS RIDGE VILLAS

PHASE 2

THIS DECLARATION OF ANNEXATION is made this 1st day of September, 1988, by COREA & COREA J.V., DAMON B. STANLEY, SUZANNA L. STANLEY, CHRISTI HUNEYCUTT-HASEBUN, and HARRY C. HUNEYCUTT, hereinafter collectively referred to as "Declarants," with reference to the following facts:

A. Declarants are the owners of property located in the City of Pismo Beach, County of San Luis Obispo, State of California, more particularly described as all of that land embraced within the boundaries of the subdivision shown on the Map entitled "Tract No. 1567," which Map was filed for record on the 22nd day of April, 1988, in Book 14 of Maps at Page 57.

B. Declarants DAMON B. STANLEY, SUZANNA L. STANLEY, CHRISTI HUNEYCUTT-HASEBUN and HARRY C. HUNEYCUTT are the owners of property located in the City of Pismo Beach, County of San Luis Obispo, California, more particularly described as Lots 5, 6, and 7 of that land embraced within the boundaries of the subdivision shown on the map entitled "Tract 1307 Unit Two Phase 11" which map was filed for record January 21, 1987 in Book 13 of Maps at Page 71.

C. Declarants DAMON B. STANLEY, SUZANNA L. STANLEY, CHRISTI HUNEYCUTT-HASEBUN, and HARRY C. HUNEYCUTT executed a "Declaration of Covenants, Conditions and Restrictions, which was recorded on the 1st day of August, 1988, in Book 3179, Page 312, of Official Records of San Luis Obispo County and re-recorded for technical correction on the 18th day of August, 1988, in Book 3188, Page 116 (hereinafter collectively referred to as the "Declaration"). Said Declaration applied to all of the land embraced within the boundaries of the subdivision shown on the Map entitled "Tract No. 1307 -- Unit Two,

Phase I," which map was filed for record in the office of the San Luis Obispo County Recorder on the 21st day of January, 1987, in Book 13 of Maps, Page 73. Said Declaration provided in Article IX that Declarants may annex additional property as described in Exhibit A to the Declaration and thereby make such additional property subject to the Declaration and subject to the jurisdiction of the Association, as provided in the Declaration.

D. Declarants are the owners of the property above described and now desire to annex part of said property to the project as described in the Declaration and thereby make said property subject to the terms, conditions and restrictions of the Declaration.

NOW, THEREFORE, Declarants declare as follows:

1. Pursuant to the terms of the Declaration, Declarants declare that all of said Tract 1567, together with Lots 5, 6 and 7 (only) of said Tract 1307, Unit Two, Phase II, are hereby annexed to and made a part of the Project as described in the Declaration. Said annexed properties shall hereafter be held, sold, leased, transferred, occupied and conveyed subject to the terms, provisions, covenants, conditions, restrictions and easements of the Declaration, including subsequent amendments thereto, which Declaration is by reference incorporated herein and made a part hereof.

2. The owner of any lot in the annexed areas will receive title to his lot plus a membership in the SPYGLASS RIDGE VILLAS HOMEOWNERS ASSOCIATION, which membership shall be appurtenant to his lot.

3. Declarants shall convey the common areas, which are Lots 4, 15 and 26 of Tract 1567, together with the streets shown thereon as Calle Valencia, Barcelona, Calle Granada, Calle Consuetta, Calle Corea, and Calle Cordova, and the street shown on said map of Tract 1307 Unit Two Phase II as Costa Brava, to the Association prior to the close of escrow on the sale of the first lot to be held for the benefit of all members of the Association.

IN WITNESS WHEREOF, Declarants have executed this Declaration of Annexation on the date set forth above.

COREA & COREA J.V.:

COREA DEVELOPMENT, INC.,
A California Corporation

By: *[Signature]*
President

TOM COREA CONSTRUCTION, INC.,
A California Corporation

By: *[Signature]*
President

[Signature]
DAMON B. STANLEY

[Signature]
SUZANNA A. STANLEY

[Signature]
CHRISTI HONEYCUTT-HASEBUN

[Signature]
HARRY C. HONEYCUTT
By: *[Signature]*
his attorney - in - fact

STATE OF CALIFORNIA

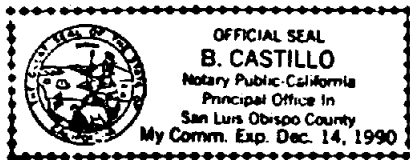
)
) SS.
)

COUNTY OF SAN LUIS OBISPO

On September 23, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared Daniel Thomas Corea, known to me to be the President of Corea Development, Inc. the corporation that executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the joint venturers of Corea & Corea J.V., the joint venture that executed the within instrument and acknowledged to me that such corporation executed the same both individually and as joint venturer of said joint venture and that such joint venture also executed the same.

WITNESS my hand and official seal.

Signature B. Castillo
Notary Public in and for said County and State



STATE OF CALIFORNIA

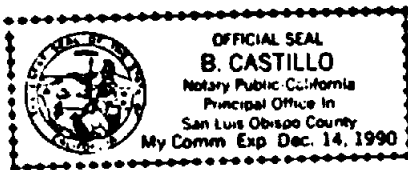
)
) SS.
)

COUNTY OF SAN LUIS OBISPO

On September 23, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared Tom L. Corea, known to me to be the President of Tom Corea Construction, Inc. the corporation that executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the joint venturers of Corea & Corea J.V., the joint venture that executed the within instrument and acknowledged to me that such corporation executed the same both individually and as joint venturer of said joint venture and that such joint venture also executed the same.

WITNESS my hand and official seal.

Signature B. Castillo
Notary Public in and for said County and State

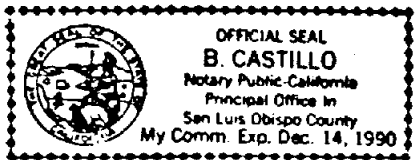


CUESTA
TITLE

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo } ss.
On September 9, 1988 before me,
the undersigned, a Notary Public in and for said County and State,
personally appeared Damon B. Stanley and Guzanna
L. Stanley

personally known to me
 proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) are subscribed to the within
instrument, and acknowledged that they executed it.

Signature B. Castillo
Notary Public in and for said County and State



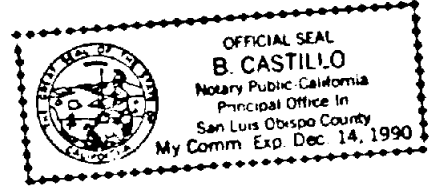
FOR NOTARY STAMP

CUESTA
TITLE

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo } ss.
On September 8, 1988 before me, the undersigned,
a Notary Public in and for said County and State personally appeared
Christi Buneycutt-Basbun

personally known to me
 proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) is subscribed to the within
instrument, as the Attorney in fact of Harry C. Buneycutt

and acknowledged to me that she subscribed the name(s) of
Barry C. Buneycutt
thereto as principal(s) and her own name(s) as Attorney in fact.
Signature B. Castillo
Notary Public in and for said County and State



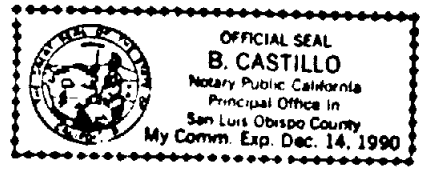
FOR NOTARY PUBLIC

CUESTA
TITLE

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo } ss.
On September 8, 1988 before me,
the undersigned, a Notary Public in and for said County and State,
personally appeared Christi Buneycutt-Basbun

personally known to me
 proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) is subscribed to the within
instrument, and acknowledged that she executed it.

Signature B. Castillo
Notary Public in and for said County and State



FOR NOTARY STAMP

Recording requested by:

FIRST AMERICAN TITLE INSURANCE CO.

DOC. NO. 20512
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA

When recorded return to:

APR 05 1989

STEPHEN N. COOL
Attorney at Law
1577 El Camino Real
Arroyo Grande, CA 93420

FRANCIS M. GOONEY
County Clerk Recorder
TIME 1:00 PM

DECLARATION OF ANNEXATION

SPYGLASS RIDGE VILLAS

PHASE 3

THIS DECLARATION OF ANNEXATION is made this 31st day of March, 1988, by DAMON B. STANLEY, SUZANNA L. STANLEY, CHRISTI HUNEYCUTT-HASBUN, and HARRY C. HUNEYCUTT, hereinafter collectively referred to as "Declarants," with reference to the following facts:

A. Declarants are the owners of property located in the City of Pismo Beach, County of San Luis Obispo, State of California, more particularly described as all of that land embraced within the boundaries of the subdivision shown on the Map entitled "Tract No. 1307, Unit Three," which Map was filed for record on the 8th day of December, 1988, in Book 14 of Maps at Page 92.

B. Declarants executed a "Declaration of Covenants, Conditions and Restrictions," which was recorded on the 1st day of August, 1988, in Book 3179, Page 312, of Official Records of San Luis Obispo County and re-recorded for technical correction on the 18th day of August, 1988, in Book 3188, Page 116 (hereinafter collectively referred to as the "Declaration"). Said Declaration applied to all of the land embraced within the boundaries of the subdivision shown on the Map entitled "Tract No. 1307 -- Unit Two, Phase 1," which map was filed for record in the office of the San Luis Obispo County Recorder on the 21st day of January, 1987, in Book 13 of Maps, Page 73. Said Declaration provided in Article IX that Declarants may annex additional property as described in Exhibit A to the Declaration and thereby make such additional property subject to the Declaration and subject to the jurisdiction of the Association, as provided in the Declaration.

D. Declarants are the owners of the property above-described and now desire to annex part of said property to the project as described in the Declaration and thereby make said property subject to the terms, conditions and restrictions of the Declaration.

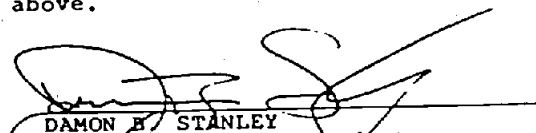
NOW, THEREFORE, declarants declare as follows:

1. Pursuant to the terms of the Declaration, Declarants declare that all of said Tract 1307, Unit Three, is hereby annexed to and made a part of the Project as described in the Declaration. Said annexed properties shall hereafter be held, sold, leased, transferred, occupied and conveyed subject to the terms, provisions, covenants, conditions, restrictions and easements of the Declaration, including subsequent amendments thereto, which Declaration is by reference incorporated herein and made a part hereof.

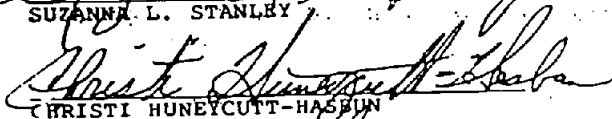
2. The owner of any lot or unit in the annexed areas will receive title to his lot or unit plus a membership in the SPYGLASS RIDGE VILLAS HOMEOWNERS ASSOCIATION, which membership shall be appurtenant to his lot or unit.

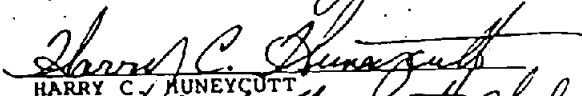
3. Declarants shall convey that portion of the street shown as Costa Brava on the map of said Tract 1307, Unit Three, to the Association prior to the close of escrow on the sale of the first lot or unit to be held for the benefit of all members of the Association.

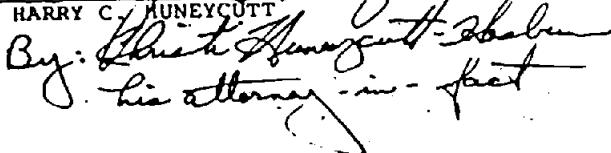
IN WITNESS WHEREOF, declarants have executed this Declaration of Annexation on the date set forth above.


DAMON B. STANLEY


SUZANNA L. STANLEY


CHRISTI HUNEYCUTT-HABUN


HARRY C. HUNEYCUTT

By: 
his attorney-in-fact


3001 (6/82) (Individual First American Title Company)

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo ss.

On APRIL 3, 1989 before me, the undersigned, a Notary Public in and for
said State, personally appeared Damon E Stanley and
Juzanna L. Stanley

personally known to me (or proved to me on the basis of satis-
factory evidence) to be the person(s) whose name(s) is/are sub-
scribed to the within instrument and acknowledged to me that
he/she/they executed (the same)

WITNESS my hand and official seal
[Signature]

 DONNA L. THORNDY
NOTARY PUBLIC
SAN LUIS OBISPO COUNTY
CALIFORNIA
My Commission Expires on Oct. 5, 1993

(This area for official notarial seal)

3004 (6/82) - (Attorney in Fact) First American Title Company

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo ss.


On March 31, 1989 before me, the undersigned, a Notary Public in and for
said State, personally appeared Christi Huneycutt-Hasbun

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is
subscribed to the within instrument as the Attorney in Fact of Harry C. Huneycutt

and acknowledged to me that he/she subscribed the name(s)
of Harry C. Huneycutt

wherein as principal(s), and his/her own name as Attorney in
Fact.

WITNESS my hand and official seal.
[Signature]

 CYNTHIA A. WILSON
NOTARY PUBLIC
SAN LUIS OBISPO COUNTY
CALIFORNIA
My Commission Expires on April 5, 1991


(This area for official notarial seal)

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo } ss.

On this 31 day of March in the year 1988
before me, the undersigned, a Notary Public in and for said State, personally appeared
Christi Huneycutt-Hasbun

personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person whose name
subscribed to the within instrument, and acknowledged to me that he
executed it.

WITNESS my hand and official seal.

 CYNTHIA A. WILSON
NOTARY PUBLIC
SAN LUIS OBISPO COUNTY
CALIFORNIA
My Commission Expires on April 5, 1991

[Signature]
Notary Public in and for said State.

ADDITIONAL INFORMATION - Board of Notaries Public 733CA - Rev. 5-83
C. REED WILSON, INC. (800) 444-8771

RECORDING REQUESTED BY and
WHEN RECORDED RETURN TO:
MANDERLEY PROPERTY SERVICES
3563 EMPLEO STREET, SUITE B
SAN LUIS OBISPO, CA 93401

DOC#: 2003000094



Titles:	1	Pages:	2
Fees			10.00
Taxes			0.00
Others			0.00
PAID			<u>10.00</u>

**CERTIFICATE OF FIRST AMENDMENT TO
DECLARATION OF ANNEXATION SPYGLASS RIDGE VILLAS PHASE 4**

This Certificate of Amendment is made December 17, 2002, by the SPYGLASS RIDGE VILLAS HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, ("ASSOCIATION").

Whereas the owners of Phase 4 have considered the Declaration of Annexation - Spyglass Ridge Villas Phase 4 recorded on May 16, 1989 as Doc No. 30608; and

Whereas sixty-seven percent (67%) of the owners in Phase 4 voted in favor of the amendment as set forth below, the ASSOCIATION by the Certificate executed by its President and Treasurer, now amends the Declaration of Annexation as follows:

Paragraph 1 to read as follows:

"1. Pursuant to the terms of the Declaration, Declarants declare that Lots 1-9, inclusive, of Tract No. 1588 are hereby annexed to and made part of the Project as described in the Declaration. Said annexed properties shall hereafter be held, sold, leased, transferred, occupied and conveyed subject to the terms, provisions, covenants conditions, restrictions and easements of the Declaration, including subsequent amendments thereto, which Declaration is by reference incorporated herein and made part hereof as set forth at length.

Notwithstanding provisions in the Declaration to the contrary, however, the Association shall have the power to settle or otherwise compromise that certain litigation between the Association and the original Declarants known as Damon Stanley, et al., San Luis Obispo County Superior Court case no. CV990732. All funds, if any, generated by any such settlement or compromise shall be disbursed only for repairs of defects alleged to exist in Lots 1-9, inclusive, of Tract No. 1588 and all such repairs shall be made at the direction of, and under the supervision of, the Board of Directors of the Association in order to satisfy the Association's duties of repair which existed at the time such litigation was commenced and prior to the adoption of this proposed amendment to the Declaration of Annexation."

The President and Treasurer of the ASSOCIATION shall execute and record this amendment pursuant to the terms of Article VIII of the Declaration.

EXECUTION

The ASSOCIATION has caused this Certificate to be executed by its President and Treasurer on Dec. 27, 2002.

Spyglass Ridge Homeowners Association
A. Terence Whittaker
Terry Whittaker, President
A. Terence

Spyglass Ridge Homeowners Association
John Qualls
John Qualls, Treasurer
George Cary, Director

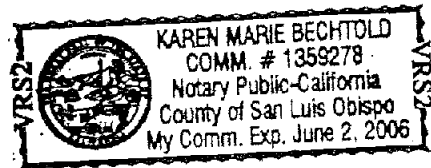


STATE OF CALIFORNIA }
COUNTY OF San Luis Obispo } ss.

On 12-27-02, before me, Karen Marie Bechtold,
personally appeared A. Terrence Whitaker & George Cary
_____, personally known to me
(or 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.

WITNESS my hand and official seal.

Signature Karen Marie Bechtold



(This area for official notarial seal)

Title of Document	<u>Certificate of First Amendment</u>		
Date of Document	<u>12/17/02</u>	No. of Pages	<u>1</u>
Other signatures not acknowledged	<u>N/A</u>		

END OF DOCUMENT

DEU

5/13/1989 12:00 PM 18:30

Recording requested by:

FIRST AMERICAN TITLE INSURANCE CO.

DOC. NO. 30608
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA

When recorded return to:

MAY 16 1989

STEPHEN N. COOL
Attorney at Law
1577 El Camino Real
Arroyo Grande, CA 93420

FRANCIS M. COONEY
County Clerk-Recorder
TIME 2:00 PM

DECLARATION OF ANNEXATION

SPYGLASS RIDGE VILLAS

PHASE 4

THIS DECLARATION OF ANNEXATION is made this 3rd day of May, 1989, by DAMON B. STANLEY, SUZANNA L. STANLEY, CHRISTI HUNEYCUTT-HASEBUN, and HARRY C. HUNEYCUTT, hereinafter collectively referred to as "Declarants," with reference to the following facts:

A. Declarants are the owners of property located in the City of Pismo Beach, County of San Luis Obispo, State of California, more particularly described as Lots 1 - 9 inclusive of the subdivision shown on the Map entitled "Tract No. 1588, which Map was filed for record on the 12th day of May, 1988, in Book 14 of Maps at Page 82.

B. Declarants executed a "Declaration of Covenants, Conditions and Restrictions, which was recorded on the 1st day of August, 1988, in Book 3179, Page 312, of Official Records of San Luis Obispo County and re-recorded for technical correction on the 18th day of August, 1988, in Book 3188, Page 118 (hereinafter collectively referred to as the "Declaration"). Said Declaration applied to a portion of the land embraced within the boundaries of the subdivision shown on the Map entitled "Tract No. 1307 -- Unit Two, Phase 1," which map was filed for record in the office of the San Luis Obispo County Recorder on the 21st day of January, 1987, in Book 13 of Maps, page 73. Said Declaration provided in Article IX that Declarants may annex additional property as described in Exhibit A to the Declaration and thereby make such additional property subject to the Declaration and subject to the jurisdiction of the Association, as provided in the Declaration.

C. Declarants are the owners of the property above described and now desire to annex part of said property to the project as described

in the Declaration and thereby make said property subject to the terms, conditions and restrictions of the Declaration.

D. The buildings to be constructed on the annexed lots will be attached, common wall structures with connecting roofs, and therefore it is appropriate that maintenance of buildings, roofs, and common driveways, and fire insurance, be furnished by the Association.

NOW, THEREFORE, Declarants declare as follows:

1. Pursuant to the terms of the Declaration, Declarants declare that Lots 1 - 9, inclusive of Tract No. 1588 are hereby annexed to and made a part of the Project as described in the Declaration. Said annexed properties shall hereafter be held, sold, leased, transferred, occupied and conveyed subject to the terms, provisions, covenants, conditions, restrictions and easements of the Declaration, including subsequent amendments thereto, which Declaration is by reference incorporated herein and made a part hereof, with the following additions and modifications which shall apply specifically and exclusively to the annexed properties:

(a) Maintenance: The Association shall maintain, repair, replace, operate and manage the buildings on the lots (except windows and automatic garage door openers). Maintenance shall include roofs, chimneys, structures, exterior paint, walls, foundations, and common driveways.

(b) Insurance; Damage: In the event of damage to or destruction of any of the buildings or parts thereof, the Association shall reconstruct the same as soon as reasonably practicable, and substantially in accordance with the original plans and specifications. The Association shall obtain and continue in effect a policy of fire insurance coverage for the full insurable value of all of the improvements on the lots.

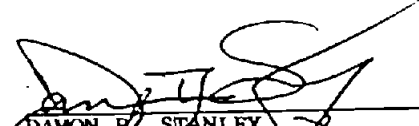
(c) Allocation of Costs and Assessments: Only the owners of the lots within the annexed area shall be assessed for the additional costs of maintenance, insurance and repair which are provided in this Declaration of Annexation, and for the cost of funding necessary reserve accounts for reconstruction, repair or replacement of improvements. The Association in levying regular and special assessments as provided by the Declaration shall by appropriate separate budgeting and designation charge only the lots in

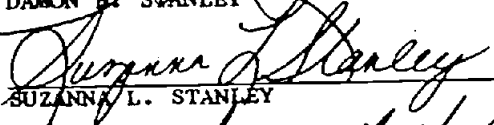
the annexed areas those portions of total assessments which are attributable to such costs.

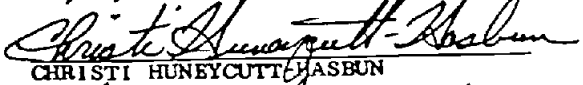
2. The owner of any lot or unit in the annexed area will receive title to his lot or unit plus a membership in the SPYGLASS RIDGE VILLAS HOMEOWNERS ASSOCIATION, which membership shall be appurtenant to his lot.


3. Declarants shall convey the common areas, which are Lot 1 of Tract 1588, together with the street shown on the Map of Tract 1307 Unit Two Phase II, per map recorded January 21, 1987, in Book 13, Page 74, of Maps as Costa del Sol, to the Association prior to the close of escrow on the sale of the first lot to be held for the benefit of all members of the Association.

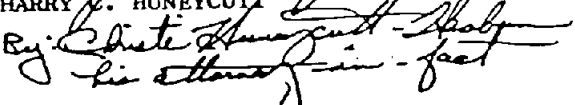
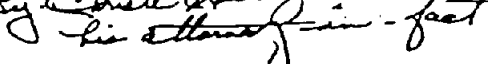
IN WITNESS WHEREOF, Declarants have executed this Declaration of Annexation on the date set forth above.


DAMON E. STANLEY


SUZANNA L. STANLEY


CHRISTI HUNEYCUTT-HASBUN


HARRY C. HUNEYCUTT

By: 
in presence of 

3004 (6/83)—Attorney in Fact First American Title Company

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo) ss.

On May 3, 1989 before me, the undersigned, a Notary Public in and for
said State, personally appeared Christie Honeycutt-Harbor

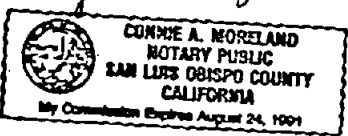
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is
subscribed to the within instrument as the Attorney in Fact of Harry C. Honeycutt

and acknowledged to me that he/she subscribed the name(s)
of Harry C. Honeycutt

thereto as principal(s), and his/her own name as Attorney in
Fact.

WITNESS my hand and official seal.

Signature Connie A. Moreland



(This area for official notarial seal)

3001 (6/83) (Individual) First American Title Company

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo) ss.

On May 3, 1989 before me, the undersigned, a Notary Public in and for
said State, personally appeared Christie Honeycutt-Harbor

personally known to me (or proved to me on the basis of satis-
factory evidence) to be the person(s) whose name(s) is/are sub-
scribed to the within instrument and acknowledged to me that
he/she/they executed the same.

WITNESS my hand and official seal.

Signature Connie A. Moreland



(This area for official notarial seal)

3001 (6/83) (Individual) First American Title Company

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO) ss.

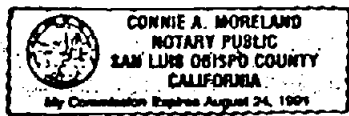
On MAY 10, 1989 before me, the undersigned, a Notary Public in and for
said State, personally appeared

DAMON B. STANLEY and SUZANNA L. STANLEY

personally known to me (or proved to me on the basis of satis-
factory evidence) to be the person(s) whose name(s) is/are sub-
scribed to the within instrument and acknowledged to me that
he/she/they executed the same.

WITNESS my hand and official seal.

Signature Connie A. Moreland



(This area for official notarial seal)

CONSENT OF LIENHOLDER
AND SUBORDINATION OF LIEN

The undersigned beneficiary under that certain deed of trust recorded September 2, 1988 as Instrument No. 55157, Book 3203, Page 521, of Official Records of San Luis Obispo County. The undersigned hereby consents to all of the provisions contained in the attached Declaration of Annexation ("Annexation") and agree that the lien of said deed of trust and said assignments shall be junior and subordinate and subject to said Annexation.

Dated: May 11, 1989

The Bank of Montecito,
a California corporation

Robert M. Thornley
Robert M. Thornley
Vice President

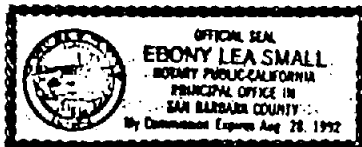
STATE OF CALIFORNIA
COUNTY OF Santa Barbara

On May 11, 1989 before me, the undersigned, a Notary Public in and for said State, personally appeared Robert M. Thornley and _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) who executed the within instrument as Vice President, on behalf of The Bank of Montecito

the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal

Signature: *Notary Public*



(This area for official notarial seal)

Recording requested by:

FIRST AMERICAN TITLE INSURANCE CO.

DOC. NO. **30607**
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA

When recorded return to:

STEPHEN M. COOL
Attorney at Law
1577 El Camino Real
Arroyo Grande, CA 93420

MAY 16 1989

FRANCIS M. COONEY
County Clerk-Recorder
TIME 2:00 PM

DECLARATION OF ANNEXATION

SPYGLASS RIDGE VILLAS

PHASE 5

THIS DECLARATION OF ANNEXATION is made this 3rd day of MAY, 1989, by DAMON B. STANLEY, SUZANNA L. STANLEY, CHRISTI HUNEYCUTT-HASBUN, and HARRY C. HUNEYCUTT, hereinafter collectively referred to as "Declarants," with reference to the following facts:

A. Declarants are the owners of property located in the City of Pismo Beach, County of San Luis Obispo, State of California, more particularly described as Lot 8 (only) of the subdivision shown on the Map entitled "Tract No. 1307, Unit Two Spyglass Ridge Phase II," which Map was filed for record on the 21st day of January, 1987, in Book 13 of Maps at Page 74.

B. Declarants executed a "Declaration of Covenants, Conditions and Restrictions, which was recorded on the 1st day of August, 1988, in Book 3179, Page 312, of Official Records of San Luis Obispo County and re-recorded for technical correction on the 18th day of August, 1988, in Book 3188, Page 116 (hereinafter collectively referred to as the "Declaration"). Said Declaration applied to all of the land embraced within the boundaries of the subdivision shown on the Map entitled "Tract No. 1307 -- Unit Two, Phase I," which map was filed for record in the office of the San Luis Obispo County Recorder on the 21st day of January, 1987, in Book 13 of Maps, page 73. Said Declaration provided in Article IX that Declarants may annex additional property as described in Exhibit A to the Declaration and thereby make such additional property subject to the Declaration and subject to the jurisdiction of the Association, as provided in the Declaration.

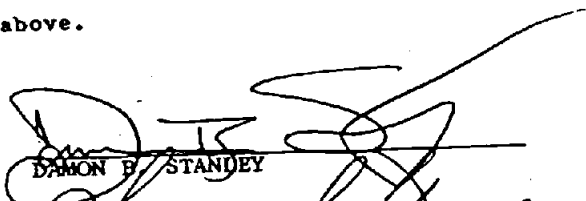
C. Declarants are the owners of the property above described and now desire to annex part of said property to the project as described in the Declaration and thereby make said property subject to the terms, conditions and restrictions of the Declaration.

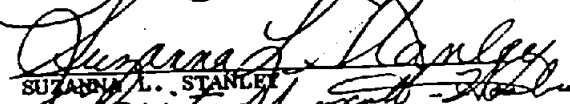
NOW, THEREFORE, Declarants declare as follows:

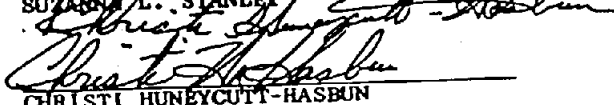
1. Pursuant to the terms of the Declaration, Declarants declare that Lot 8 of said Tract No. 1307 Unit Two Phase II is hereby annexed to and made a part of the Project as described in the Declaration. Said annexed properties shall hereafter be held, sold, leased, transferred, occupied and conveyed subject to the terms, provisions, covenants, conditions, restrictions and easements of the Declaration, including subsequent amendments thereto, which Declaration is by reference incorporated herein and made a part hereof.

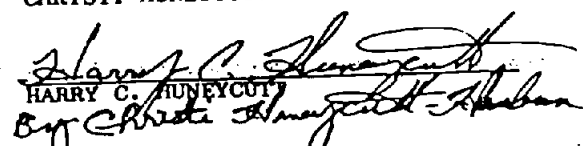
2. The owner of any condominium unit in the annexed areas will receive title to his unit plus a membership in the SPYGLASS RIDGE VILLAS HOMEOWNERS ASSOCIATION, which membership shall be appurtenant to his lot.


IN WITNESS WHEREOF, Declarants have executed this Declaration of Annexation on the date set forth above.


DAMON B. STANLEY


SUZANNE L. STANLEY


CHRISTI HUNEYCUTT-HASBUN


HARRY C. HUNEYCUTT


CHRISTI HUNEYCUTT-HASBUN

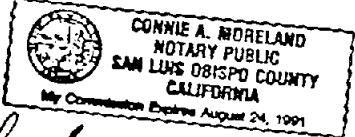
3001 (8/82) (Individual) First American Title Company

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo ss.

On May 3, 1989 before me, the undersigned, a Notary Public in and for
said State, personally appeared Christie Honeycutt - Huber

personally known to me (or proved to me on the basis of satis-
factory evidence) to be the person(s) whose name(s) is/are sub-
scribed to the within instrument and acknowledged to me that
he/she/they executed the same.

WITNESS my hand and official seal.



Signature Connie Moreland (This area for official notarial seal)

3004 (8/82) (Attorney in Fact) First American Title Company

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo ss.

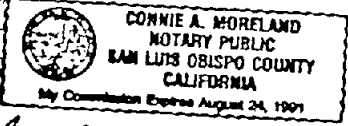
On May 3, 1989 before me, the undersigned, a Notary Public in and for
said State, personally appeared Christie Honeycutt - Huber

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is
subscribed to the within instrument as the Attorney in Fact of Harry C. Honeycutt

and acknowledged to me that he/she subscribed the name(s)
of Harry C. Honeycutt

hereto as principal, and his/her own name as Attorney in
Fact.

WITNESS my hand and official seal.



Signature Connie A. Moreland (This area for official notarial seal)

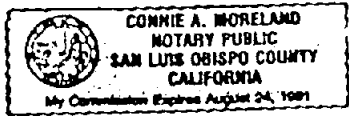
3001 (8/82) (Individual) First American Title Company

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO ss.

On MAY 10, 1989 before me, the undersigned, a Notary Public in and for
said State, personally appeared DAMON B. STANLEY and SUZANNA L. STANLEY

personally known to me (or proved to me on the basis of satis-
factory evidence) to be the person(s) whose name(s) is/are sub-
scribed to the within instrument and acknowledged to me that
he/she/they executed the same.

WITNESS my hand and official seal.



Signature Connie Moreland (This area for official notarial seal)

CONSENT OF LIENHOLDER
AND SUBORDINATION OF LIEN

The undersigned beneficiary under that certain deed of trust recorded September 2, 1988 as Instrument No. 55157, Book 3203, Page 521, of Official Records of San Luis Obispo County. The undersigned hereby consents to all of the provisions contained in the attached Declaration of Annexation ("Annexation") and agree that the lien of said deed of trust and said assignments shall be junior and subordinate and subject to said Annexation.

Dated: May 11, 1989

The Bank of Montecito,
a California corporation



Robert M. Thornley
Vice President

Safeco Insurance Co. of America, California License No. C.A.L. 00374 (Rev. 7-88) Act. Corporation
Staple



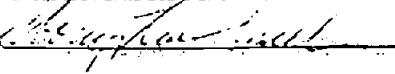
STATE OF CALIFORNIA

COUNTY OF Santa Barbara } ss

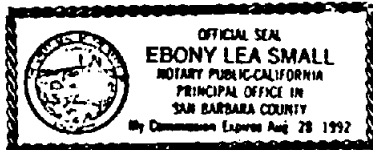
On May 11, 1989, before me, the undersigned

Notary Public in and for said State, personally appeared
Robert M. Thornley and

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as the
Vice President and as the _____ Secretary
on behalf of the corporation therein named and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

Signature: 

FOR NOTARY SEAL OR STAMP



Recorded at the request of
Public

RECORDING REQUESTED BY and
WHEN RECORDED RETURN TO:
MANDERLEY PROPERTY SERVICES
3563 EMPLEO STREET, SUITE B
SAN LUIS OBISPO, CA 93401

DOC#: 2003000095



Titles: 1 Pages: 2

Fees	10.00
Taxes	0.00
Others	0.00
PAID	<u>\$10.00</u>

CERTIFICATE OF FIRST AMENDMENT TO

DECLARATION OF ANNEXATION SPYGLASS RIDGE VILLAS PHASE 6

This Certificate of Amendment is made December 17, 2002, by the SPYGLASS RIDGE VILLAS HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, ("ASSOCIATION").

Whereas the owners of Phase 6 have considered the Declaration of Annexation - Spyglass Ridge Villas Phase 6 recorded on August 24, 1989 as Doc No. 57647; and

Whereas sixty-seven percent (67%) of the owners in Phase 6 voted in favor of the amendment as set forth below, the ASSOCIATION by the Certificate executed by its President and Treasurer, now amends the Declaration of Annexation as follows:

Paragraph D of the recitals and Paragraph 1 to read as follows:

D. The buildings to be constructed on the annexed lots, with the exception of Lots 7 and 8 of said Tract, will be attached, common wall structures with connecting roofs.

NOW, THEREFORE, Declarant declares as follows:

1. Pursuant to the terms of the Declaration, Declarant declares that all of said Tract 1307 is hereby annexed to and made part of the Project as described in the Declaration. Said annexed properties shall hereafter be held, sold, leased, transferred, occupied and conveyed subject to the terms, provisions, covenants conditions, restrictions and easements of the Declaration, including subsequent amendments thereto, which Declaration is by reference incorporated herein and made a part hereof as though set forth at length.

The President and Treasurer of the ASSOCIATION shall execute and record this amendment pursuant to the terms of Article VIII of the Declaration.

EXECUTION

The ASSOCIATION has caused this Certificate to be executed by its President and Treasurer on Dec. 27, 2002, 2002.

Spyglass Ridge Homeowners Association

Terry Whittaker
Terry Whittaker, President

A. Terrence

Spyglass Ridge Homeowners Association

John Qualis
John Qualis, Treasurer
George Cary, Director



STATE OF CALIFORNIA
COUNTY OF San Luis Obispo } ss.

On 12-27-02, before me, Karen Marie Bechtold,
personally appeared A. Terrence Whitaker & George Carey,
personally known to me,
(or 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.

WITNESS my hand and official seal.

Signature Karen Marie Bechtold



(This area for official notarial seal)

Title of Document	<u>Certificate of First Amendment</u>		
Date of Document	<u>12/17/02</u>	No. of Pages	<u>1</u>
Other signatures not acknowledged	<u>na</u>		

END OF DOCUMENT

Recording requested by:
CUESTA TITLE GUARANTY CO.

DOC. NO. 57647
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA

When recorded return to:

AUG 24 1989

FRANCIS M. COONEY
County Clerk-Recorder

TIME 2:40 PM

STEPHEN N. COOL
Attorney at Law
1577 El Camino Real
Arroyo Grande, CA 93420
TITLE ORDER NO. 40781NP

DECLARATION OF ANNEXATION

SPYGLASS RIDGE VILLAS

PHASE 6

THIS DECLARATION OF ANNEXATION is made this 24TH day of AUGUST, 1989, by COREA & COREA, J.V., hereinafter referred to as "Declarant," with reference to the following facts:

A. Declarant is the owner of property located in the City of Pismo Beach, County of San Luis Obispo, State of California, more particularly described as all of that land embraced within the boundaries of the subdivision shown on the Map entitled "Tract No. 1307, Unit 1, Phase 2," which Map was filed for record on the 22ND day of APRIL, 1988, in Book 14 of Maps at Page 58.

B. There has been executed a "Declaration of Covenants, Conditions and Restrictions," which was recorded on the 1st day of August, 1988, in Book 3179, Page 312, of Official Records of San Luis Obispo County and re-recorded for technical correction on the 18th day of August, 1988, in Book 3188, Page 116 (hereinafter collectively referred to as the "Declaration"). Said Declaration applied to a portion of the land embraced within the boundaries of the subdivision shown on the Map entitled "Tract No. 1307 -- Unit Two, Phase 1," which map was filed for record in the office of the San Luis Obispo County Recorder on the 21st day of January, 1987, in Book 13 of Maps, Page 73. Said Declaration provided in Article IX that Declarant may annex additional property as described in Exhibit A to the Declaration and thereby make such additional property subject to the Declaration and subject to the jurisdiction of the Association, as provided in the Declaration.

C. Declarant is the owner of the property above described and now desire to annex part of said property to the project as described

in the Declaration and thereby makes said property subject to the terms, conditions and restrictions of the Declaration.

D. The buildings to be constructed on the annexed lots, with the exception of Lots 7 and 8 of said Tract, will be attached, common wall structures with connecting roofs, and therefore it is appropriate that maintenance of buildings, roofs, and common driveways, and fire insurance for the lots having common wall structures, be furnished by the Association.

NOW, THEREFORE, Declarant declares as follows:

1. Pursuant to the terms of the Declaration, Declarant declares that all of said Tract 1307, Unit 1, Phase 2, is hereby annexed to and made a part of the Project as described in the Declaration. Said annexed properties shall hereafter be held, sold, leased, transferred, occupied and conveyed subject to the terms, provisions, covenants, conditions, restrictions and easements of the Declaration, including subsequent amendments thereto, which Declaration is by reference incorporated herein and made a part hereof, with the following additions and modifications which shall apply specifically and exclusively to each of the annexed properties with the exception of Lots 7 and 8 thereof:

(a) Maintenance: The Association shall maintain, repair, replace, operate and manage the buildings on the lots (except windows and automatic garage door openers). Maintenance shall include roofs, chimney structures, exterior paint, walls, foundations, and common driveways.

(b) Insurance; Damage: In the event of damage to or destruction of any of the buildings or parts thereof, the Association shall reconstruct the same as soon as reasonably practicable, and substantially in accordance with the original plans and specifications. The Association shall obtain and continue in effect a policy of fire insurance coverage for the full insurable value of all of the improvements on the lots.

(c) Allocation of Costs and Assessments: Only the owners of the lots within the annexed area (except Lots 7 and 8 thereof) shall be assessed for the additional costs of maintenance, insurance and repair which are provided in this Declaration of Annexation, and for the cost of funding necessary reserve accounts for reconstruction, repair or replacement of improvements. The

Association in levying regular and special assessments as provided by the Declaration shall by appropriate separate budgeting and designation charge only said lots for those portions of total assessments which are attributable to such costs.

2. The owner of any lot or unit in the annexed areas will receive title to his lot or unit plus a membership in the SPYGLASS RIDGE VILLAS HOMEOWNERS ASSOCIATION, which membership shall be appurtenant to his lot or unit.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation on the date set forth above.

COREA & COREA J.V.:

COREA DEVELOPMENT CO., INC.,
A California Corporation

By: *David T. Corea*
President

TOM COREA CONSTRUCTION, INC.,
A California Corporation

By: *Tom L. Corea*
President

RECORDING REQUESTED BY:

FIRST AMERICAN

(Villas Antigua
Phase I units)
as part of master HOA

WHEN RECORDED RETURN TO:

STEPHEN N. COOL
Attorney at Law
1577 El Camino Real
Arroyo Grande, CA 93420

DOC. NO. 43531
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA
AUG 1 1988
FRANCIS M. COONEY
County Clerk-Recorder
TIME 8:00 AM

S/B
55
49
104.00

RECORDING REQUESTED BY

Christi Thompson-Ishler

DOC. NO. 47636
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CAL

AUG 18 1988

FRANCIS M. COONEY
County Clerk Recorder
TIME 3:45 PM

APN: 10-045-1-41

2ND WHEN RECORDED RETURN TO
First American Title
500 Pacific
San Luis Obispo, Calif.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

SPYGLASS RIDGE VILLAS, A PLANNED RESIDENTIAL DEVELOPMENT

TRACT NO. 1307, UNIT TWO, PHASE I

City of Pismo Beach, County of San Luis Obispo, California

This document is being re-recorded to correct the legal description and add the attached Exhibit A

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PREAMBLE

THIS DECLARATION, made on the date hereinafter set forth, by DAMON B. STANLEY, SUZANNA L. STANLEY, CHRISTI HUNEYCUTT-HASBUN and HARRY C. HUNEYCUTT, hereinafter collectively referred to as "Declarant," is made with reference to the following facts:

A. Declarants are the owners of certain real property in the City of Pismo Beach, County of San Luis Obispo, California, described as TRACT NO. 1307 - UNIT TWO, PHASE I, recorded January 21, 1987, in Book 13, Page 73 of Maps. Said property is hereinafter called "the subject property , Excepting therefrom Lot 3 of said Tract.

B. Declarant intends to improve the subject property by constructing thereon offsite improvements and amenities to serve said property and additional properties to be annexed to this Declaration, and to establish common areas (as hereinafter defined) on Lots 1, 2, B and C of Tract 1307, Unit 2, Phase I, and on certain private streets, and intends to establish a plan providing for separate title to the remaining lot within the project, and ownership of the remaining property which is committed to the project in a homeowners association for the common benefit of the lot owners.

C. Declarant intends to annex, or permit annexation of, adjoining properties into the subject property to be subject to the provisions of this Declaration, that this Declaration constitute a Master Declaration applicable both to the subject property and to annexed properties, and that the homeowners association for the subject property be a Master Homeowners Association both for the subject property and such annexed properties.

D. Declarant intends by this document to impose upon the subject property mutually beneficial covenants, conditions, and restrictions under a general plan of improvement for the benefit of all of the lot owners.

E. All use, occupancy, development and improvement of the subject property and any property hereafter annexed to the subject property shall be done in accordance with the "SPYGLASS RIDGE SPECIFIC PLAN," and permits Nos. 1-M-84, 4-SD-85, 6CUP-85 and 21-CP-85 of the City of Pismo Beach, including any amendments thereto.

THEREFORE, Declarant declares that the subject property be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the property and the project, and every part of it, in accordance with the plan for the improvement of the property and its division into lots, units and common areas. All of the limitations, covenants, conditions, restrictions and easements shall be binding upon Declarant and its successors and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the property of the project, and to run with the land thereof.

ARTICLE I

DEFINITIONS

1. "Articles" shall mean and refer to the Articles of Incorporation of the Association as amended from time to time.
2. "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the common area and operation of the Association which is to be paid by each lot owner as determined by the Association.
3. "Association" shall mean and refer to the SPYGLASS RIDGE VILLAS HOMEOWNERS ASSOCIATION, a California Nonprofit Corporation.
4. "Board" or "Board of Directors" shall mean and refer to the governing body of the Association as prescribed by the Bylaws.
5. "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time.
6. "City" shall mean the City of Pismo Beach, California.
7. "Common Area" shall mean and refer to the following:
 - (a) Lots 1, 2, B, and C of Tract No. 1307, Unit 2, Phase I;
 - (b) The private streets designated on the Map as Barcelona, Costa Buena, and Costa del Sol;
 - (c) Any common areas annexed to the project at a later time.

Title to the common area shall be transferred to the Association prior to or coincident with the first transfer or conveyance of a lot in the phase of which that common area is a part. The common area includes, without limitation, the following common area improvements: Private streets as shown on the map, access driveways, curbs, gutters, sidewalks, culverts, street lighting, open space areas, and underground utilities. In addition, for purposes of defining the maintenance obligations of the Association, common area shall include such private streets, curbs, gutters, sidewalks, landscaping and fencing within the right of way of Mattie Road along the entire property frontage, and utilities not located on the subject property as are necessary to serve the property. The term "common area" does not include any common areas of sub-associations within the project.

8. "Common Expenses" means and includes the actual and estimated expenses of operating and maintaining the common area and facilities, any reasonable reserve for such purposes as found and determined by the Board, and all sums designated for other common expenses by or pursuant to this Declaration.

9. "Declarant" shall mean and refer to the Declarant hereinabove named.

10. "Declaration" shall mean this Declaration, and any amendment to it.

11. "Institutional Lender" shall mean any bank, savings and loan association, insurance company, or other financial institution holding a recorded first mortgage on any lot.

12. "Lot" shall mean Lot 4 as shown upon the recorded subdivision map of the subject property, and any numbered parcel of land of any property annexed to the project. The term "lot" shall also include for purposes of the levying of assessments and enforcement of the restrictions in this Declaration any airspace condominium units created upon any such lot within the subject property. The term "lot" shall not be deemed to include any of the common area.

13. "Map" shall mean and refer to the final recorded subdivision map of Tract 1307, Unit 2, Phase I.

14. "Mortgage" shall include a deed of trust as well as a mortgage.

15. "Mortgagee" shall include a beneficiary or a holder of a deed of trust as well as a mortgagee.

16. "Owner" or "Owners" shall mean and refer to the record holder or holders of title, if more than one, of a lot in the project. This shall include any person having a beneficial fee simple title to any lot, but shall exclude persons or entities having any interest merely as a security for the performance of any obligation. The term "Owner" shall not include a homeowner's association owning fee title to a lot upon which there exists a condominium project.

17. "Project" shall mean and refer to the entire subject property and easements above described including all structures and improvements erected or to be erected thereon, as developed.

ARTICLE II

DESCRIPTION OF PROJECT, DIVISION OF PROPERTY,
AND CREATION OF PROPERTY RIGHTS

1. Description of Project: The project consists of the real property described as Tract No. 1307, Unit Two, Phase I, City of Pismo Beach, County of San Luis Obispo, California, together with all improvements thereon.

2. Owners Easements and Rights of Ingress and Egress: Every owner shall have a nonexclusive right and easement of ingress and egress and use and enjoyment in and to the common area, and such easement shall be appurtenant to and shall pass with title to every lot in the project.

The rights and easements of use and enjoyment created hereby shall be subject to the following:

A. The right of the Association, subject to a two-thirds (2/3) vote of members other than Declarant, to borrow money for the purpose of maintaining and improving the common area and its facilities and to secure any such loan by mortgage or deed of trust on these common areas; provided, however, that the lien of the mortgagee or beneficiary under such loan shall be subordinated to this Declaration.

B. The right of the Association to take such steps as are reasonably necessary to protect the common area against foreclosure.

C. The right of the Association, as provided in this Declaration, to suspend the voting rights of any member for any period during which any assessment against his lot remains unpaid and delinquent, and for any reasonable period for any infraction of its published rules and regulations, after compliance with Article IV, Section 11, of this Declaration.

D. The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such condition as may be agreed to by the members, provided that no such dedication or transfer shall be effective unless approved by the vote or written consent of members entitled to exercise not less than three-fourths (3/4) of the

voting power of the Association and an instrument in writing is recorded and signed by the secretary of the Association certifying that such dedication or transfer has been approved by the required vote.

E. The right of the Association to establish uniform rules and regulations pertaining to the use of the common area and the facilities thereon.

The common interest appurtenant to each lot is declared to be permanent in character and cannot be altered without the consent of all the lot owners affected, and the first mortgagees of such lot owners, as expressed in an amended Declaration. Such common interest cannot be separated from the lot to which it is appurtenant. Each lot owner may use the common areas in accordance with the purposes for which they are intended as long as that use does not encroach upon the rights of any other lot owner, or hinder their exercise of their rights in the common area.

ARTICLE III

ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

1. Membership in the Association: Each owner (including Declarant as to any unsold or retained lots) shall automatically, upon becoming an owner of record of a lot or condominium unit upon a lot, become a member of the Association and shall remain a member thereof until he shall cease to be an owner of record. No certificate of membership, stock certificate or other document evidencing membership in the Association need or shall be issued.

2. Transfer of Membership: The membership of each owner of record in the Association is appurtenant to and inseparable from the ownership of his lot and shall be automatically transferred upon any transfer or conveyance of his lot to any transferee or grantee, and shall otherwise be non-transferable, whether by gift, bequest, devise, assignment or otherwise.

3. Class of Members and Voting: The Association shall have the following two classes of voting members:

A. Class A Membership: Class A members shall be all owners with the exception of Declarant. Each Class A member shall be entitled to one (1) vote for each lot owned by him. When more than one person holds an interest in any lot, all such persons shall be members and the single vote for each lot shall be exercised as they among themselves agree, but in no event shall more than one vote be cast with respect to any one lot.

B. Class B Membership: The Class B member shall be Declarant, who shall be entitled to three votes for each lot owned by it. The Class B membership shall irreversibly cease and shall be converted to Class A membership with respect to each lot then owned by Declarant on the occurrence of the earliest to occur of the following:

(1) When the total voting power outstanding in the Class A members equals or exceeds the total number of votes outstanding in the Class B members;

(2) On the second anniversary from the original issuance of the subdivision report of the California Department of Real Estate applicable to the project.

(2) On the second anniversary from the original issuance of the subdivision report of the California Department of Real Estate applicable to the project.

Except for provisions on enforcement of bonded obligations, whenever a prescribed majority of the voting power of members of the Association other than Declarant is required by the terms of this Declaration for any purpose, the vote or written assent of a bare majority of Class B voting power, as well as that of a prescribed majority of Class A voting power, shall be required for action; after conversion of Class B to Class A shares, the vote or written assent of a bare majority of the total voting power of the Association as well as that of a prescribed majority of votes of members other than Declarant is required. So long as a majority of the voting power of the Association resides in Declarant, or so long as there are two classes of membership, at least twenty percent (20%) of the Board shall be elected solely by votes of owners other than Declarant.

All voting rights shall vest at such time as assessments against those interests have been levied by the Association. Where any provision of the Declaration, Articles or Bylaws require the vote or written assent of each class of membership for any action by the Association, any requirement therein that the vote of the Declarant be excluded in any such determination shall not be applicable as long as a two-class structure is in effect, except for action under Article X.

4. Bylaws: Except as hereby provided, all matters relating to membership and voting rights in the Association, and operation of the Association, shall be as provided in the Bylaws.

ARTICLE IV

MAINTENANCE AND ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments:

The Declarant, for each lot owned within the project, hereby covenants, and each owner of any lot by acceptance of a deed for it, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association: (A) Annual assessments or charges, and (B) special assessments. These assessments shall be established and collected as provided in this Declaration. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, incurred in any collection effort, shall be a charge on the lot and shall be a continuing lien upon the lot against which each such assessment is made. The lien shall become effective upon recordation of a notice of assessment as herein provided.

Each such assessment, together with interest, costs, and reasonable attorney's fees, incurred in any collection effort, shall also be the personal obligation of the person who was the owner of such lot at the time when the assessment fell due. No owner of a lot may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common area or by the abandonment of his lot or otherwise.

2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of all the residents in the entire project, for the improvement and maintenance of the common area for the common good of the project, and to carry out the obligations of the Association as stated in this Declaration.

3. Annual Assessment: Until January 1 of the year immediately following the conveyance of the first lot to an owner the monthly assessments shall be \$ 52⁵⁴ per single family lot and \$ 52⁵⁴ per condominium unit therein.

Thereafter, the Board shall determine the annual assessments due, but may not, without the vote or written consent of owners constituting a quorum casting a majority of the votes at a meeting or

election of the Association, impose a regular annual assessment which is more than twenty percent (20%) greater than the regular annual assessment for the immediately preceding fiscal year except for extraordinary expenses as defined in Section 4A of this Article.

As part of the regular annual assessments for maintenance authorized above, the Board of Directors shall annually fix the amount to be contributed prorata by each member to reserve funds for the purpose of defraying in whole or in part the cost or estimated cost of any reconstruction, repair, or replacement of improvements, including fixtures and personal property related thereto. Such determination shall be made after consideration of the need for additional funds and of the Association's capital position. All reserve funds shall be designated and accounted for as capital contributions to the Association. The Board may maintain such funds in a separate trust account.

Amounts received by the Association as contributions, assessments or dues from the owners shall be held in trust accounts as follows:

- A. Reserve trust account, for replacement reserves;
- B. Repair and maintenance account, for current expenses.

4. Special Assessments: Every special assessment shall be levied upon the same basis as that prescribed for the levy of regular assessments except where the special assessment is a remedy utilized to reimburse the Association for costs incurred in bringing the member into compliance with this Declaration. However, a monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with this Declaration, or as a means of reimbursing the Association for costs incurred in the repair of damage to the common area for which the member was allegedly responsible, or in bringing the member and his lot into compliance with this Declaration, shall not be an assessment which may become a lien against their lot enforceable by a sale thereof per Civil Code 2924 et seq. Said exception shall not apply to charges imposed against an owner as late payment penalties for delinquent assessments and/or charges to reimburse the Association for loss of interest and for attorney's fees

or costs reasonably incurred in efforts to collect delinquent assessments.

In any fiscal year, the governing body of the Association may not, without the approval of owners casting a majority of the votes at a meeting or election of the Association, levy special assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except for extraordinary expenses.

4A. Extraordinary expenses:

(a) An extraordinary expense required by order of a court.

(b) An extraordinary expense necessary to repair or maintain the common area or other improvements for which the association is responsible where a threat to personal safety on the property is discovered.

(c) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the association is responsible that could not have been reasonably foreseen by the board in preparing and distributing the proforma operating budget. However, prior to the imposition or collection of an assessment under this section, the board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.

5. Notice and Quorum for Any Action Authorized Under Article IV, Paragraph 3 and 4: Any action authorized under Paragraphs 3 and 4 of this Article which requires a vote of the membership, shall be taken at a meeting called for that purpose, written notice of which shall be personally delivered or mailed, postage prepaid, to all members not less than ten (10) nor more than ninety (90) days in advance of the meeting specifying the place, day and hour of the meeting, and, in the case of a special meeting, the nature of the business to be undertaken. If more than 50% of members are present and the proposed action is favored by a majority vote of the members present at such

meeting, but such vote is less than the requisite majority of members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers.

6. Division of Assessments: All assessments, both annual and special, shall be fixed at a uniform rate for all lot or condominium unit owners unless a special assessment is assessed against an individual owner, lot or unit as provided herein. As to properties to be annexed, that portion of Association costs attributable to maintenance of the sewer lift station (including replacement of the sewer lift pump) shall be assessed only to those lots actually served thereby, and that portion of Association costs attributable to maintenance of private front yard areas shall be paid only by single family residential lots and not condominium units.

7. Date of Commencement of Annual Assessment: Due Dates: The regular assessments provided for herein shall commence on the first day of the month following the first conveyance of a condominium unit in the subject property to an individual owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Subject to the provisions of Paragraph 3 of this Article, the Board of Directors shall determine and fix the amount of the annual assessment against each lot or unit and send written notice thereof to every owner at least sixty (60) days in advance of each annual assessment period. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. Such a certificate shall be conclusive evidence of such payment.

8. Late Payment of Assessments: Any assessment not paid within fifteen (15) days after the due date shall be subject to a ten percent (10%) late payment charge.

9. Transfer of Lot by Sale or Foreclosure: Sale or transfer of any lot shall not affect the assessment lien. However, liens for regular and special assessments shall be subordinate to the lien of

any first mortgage or deed of trust against that lot, and the sale or transfer of any lot as the result of the exercise of a power of sale or judicial foreclosure involving default under such first mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessment thereafter becoming due or from the lien for those assessments.

In any transfer of a lot the grantor shall remain liable to the Association for all unpaid assessments against the lot up to the date of transfer. The grantee shall be entitled to a statement from the Association, setting forth the amount of the unpaid assessments against the grantor due the Association, and the lot so transferred shall not be subject to a lien for unpaid assessments in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such assessment becoming due after the date of transfer.

10. Priorities; Enforcement: No action shall be brought to foreclose the lien or to proceed under the power of sale less than thirty (30) days after the date a notice of delinquent assessment, executed by a duly authorized representative of the Association, is recorded with the San Luis Obispo County Recorder. This notice shall state the amount claimed (which may include interest and costs of collection, including reasonable attorney's fees), a legal description of the lot being assessed, the name of the record owner or reputed owner thereof and the name and address of the Trustee authorized by the Association to enforce the lien by sale. A copy of said notice of claim shall be deposited in the United States mail, certified or registered, with postage thereon fully prepaid, to the owner of the lot.

When a notice of delinquent assessment has been recorded in the Records of the San Luis Obispo County Recorder's office, such assessment shall constitute a lien on each respective lot prior and superior to all other liens except (A) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (B) the

lien or charge of any first mortgage or deed of trust then of record made in good faith and for value.

Any assessment may be enforced in any manner permitted by law, including sale by the court, sale by trustee designated in the notice of delinquent assessment, or sale by substituted trustee. Any such sale shall be conducted in accordance with the provisions of Sec. 2924-2924h of the California Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law.

The Association, acting in its own behalf, shall have the power to bid for the unit at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. During the period a lot is owned by the Association following foreclosure:

A. No right to vote shall be exercised on behalf of the lot;

B. No assessment shall be assessed or levied on the lot; and

C. Each other lot shall be charged, in addition to its usual assessment, its proportionate share of the assessment that would have been charged to such lot had it not been acquired by the Association as a result of foreclosure.

After acquiring title to the lot at foreclosure sale following notice and publication, the Association may execute, acknowledge and record a deed conveying title to the lot which deed shall be binding upon the owners, successors, and all other parties.

11. Suspension of Voting Rights: The Board may temporarily suspend the voting rights of a member who is in default in payment of any assessment, after notice and hearing as prescribed in Corporations Code Sec. 7341. In any such action the member shall be entitled to fifteen (15) days prior written notice of the suspension and the reasons therefor; and, in addition, must be given an opportunity to be heard (either orally or in writing) with respect to the alleged violation not less than five (5) days before the effective date of the action.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

1. Duties: In addition to the duties enumerated in its Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association shall perform the following duties:

A. Property Acceptance: Accept delivery and take possession of all unencumbered real and personal property in the common area subject to its rights and duties as contained herein.

B. Maintenance: The Association shall maintain, repair, replace, restore, operate and manage all of the common area of the Association and all improvements, amenities, facilities, equipment and landscaping thereon, including frontage fencing, and all property that may be acquired by the Association, and other facilities as required by this Declaration. Maintenance shall include (without limitation):

(1) Maintaining the private streets and appurtenant utilities thereof;

(2) Maintaining any private streets and utilities (including sewer lift station) not located within the subject property which serve said property;

(3) Maintaining and cultivating landscaping on the common area, all landscaping on any private lots which is located southerly of the area shown on the tract map as "50 foot buffer" to Mattie Road, and the greenbreak at the project perimeter.

The responsibility of the Association for maintenance and repair shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or neglect of an owner, or his guests, tenants or invitees, the cost of which is not covered by insurance. The responsibility of the Association for common area maintenance shall not extend to common areas of any sub-associations.

C. Insurance: The Association shall maintain such policy or policies of insurance as are required by Article VII, Section 6, of this Declaration.

D. Discharge of Liens: The Association shall discharge by payment, if necessary, of any lien against the common area, and may

assess the costs thereof to the member or members responsible for the existence of the lien, after notice and hearing under Corporations Code Sec. 7341.

E. Assessments: The Association shall fix, levy, collect and enforce assessments as set forth in Article IV of this Declaration.

F. Payment of Expenses: The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

G. Financial Statements: The Association shall cause financial statements for the Association to be prepared and copies shall be distributed to owners as prescribed in the Bylaws.

H. Enforcement: The Association shall enforce this Declaration.

2. Powers: In addition to the powers enumerated in its Articles of Association and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the following powers:

A. Easements: The Association shall have the authority to grant easements where necessary for utilities over the common area to serve the common and open space areas and the lots.

B. Manager: The Association shall have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a firm or person appointed as a manager or managing agent shall not exceed a one (1) year term, shall provide for the right of the Association to terminate the same at the first annual meeting of the members of the Association, and to terminate the same for cause on thirty (30) days' written notice.

C. Adoption of Rules: The Association may adopt reasonable rules not inconsistent with this Declaration relating to the use of the common area and all facilities thereon, and the conduct

of owners and their tenants and guests with respect to the property and other owners.

D. Access: For the purpose of performing the maintenance authorized herein or for any other purpose reasonably related to the performance by the Association or the Board of Directors of their respective responsibilities, the Association's agents or employees shall have the right, after reasonable notice to the owner thereof, to enter any lot or to enter any portion of the common area at reasonable hours.

E. Assessments, Liens and Fines: The Association shall have the power to levy and collect assessments in accordance with the provisions of Article IV of this Declaration. The Association may impose fines or take disciplinary action against any owner for failure to pay assessments or for violation of any provision of this Declaration. Penalties may include but are not limited to: Fines, temporary suspension of voting rights or other appropriate discipline, provided that the accused member is given notice and the opportunity to be heard with respect to the alleged violations in accordance with the notice and hearing provisions of Section 11 of Article IV hereof.

F. Enforcement: The Association shall have the authority to enforce this Declaration as per Article VII hereof.

G. Acquisition of Property: The Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

H. Loans: The Association shall have the power to borrow money, and only with the assent (by vote or written consent) of two-thirds (2/3) of the voting power of the Association residing in members other than Declarant, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

I. Dedication: The Association shall have the power to dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to

such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the voting power of the Association residing in members other than Declarant, agreeing to such dedication, sale or transfer and recorded in the records of the San Luis Obispo County Recorder's office.

J. Contracts: The Association shall have the power to contract for goods and/or services for the common area, facilities and interests of the Association, subject to limitations elsewhere set forth in this Declaration or in the Bylaws.

K. Delegation: The Association shall have the power to delegate its authority and powers to committees, officers, or employees of the Association.

L. Officers: Elect officers prescribed in the Bylaws.

M. Board Vacancies: Fill vacancies on the Board, except for a vacancy created by the removal of a governing board member.

The powers and duties of the Association shall be as limited under Article VII, Section 3 of the Bylaws.

ARTICLE VI

USE RESTRICTIONS

In addition to all of the covenants contained herein, the use and occupancy of the property and each lot therein is subject to the following:

A. Lot Use: No lot shall be occupied or used except for single family residential purposes by the owners, their tenants, and social guests, and no trade or business shall be conducted therein; provided, that Declarants, or their successors or assigns, may use any unsold lot or lots in the project as sales offices during construction and until the last lot is sold. However, Declarants shall not unreasonably interfere with other owners' rights and enjoyment of their lots and the common area, and Declarant's rights under this exception shall automatically expire thirty-six (36) months from the date of closing of the first sale in the latest annexed phase of the project. No tent, shack, trailer, garage, outbuilding or structure of a temporary character shall be used at any time as a residence, either temporarily, or permanent, EXCEPT that Declarant may have a security guard reside on the premises in a temporary residence during construction.

B. Common Area: The common area shall be used only for the purposes set forth in the Plan Documents.

C. Maintenance: All lots and structures, including private yards, fencing, and landscaping not otherwise maintained by the Association, and including common areas of condominium projects within the subject property, shall at all times be maintained by the owner or occupant in good condition and repair, and in a clean, neat and orderly condition. All condominium projects shall be kept by the Association of such projects in good condition and repair (including roofs, painting, landscaping, and parking areas), and in a clean, neat, and orderly condition.

D. No Mineral Exploration: No property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance or other mineral of any kind to a depth of five hundred feet (500'). This provision shall not prevent drilling of water wells by a

public water agency on any designated easement in the common area. No machinery or equipment of any kind shall be placed, operated or maintained upon any lot, except such machinery or equipment as is usual and customary in connection with the use and maintenance of a lot.

E. Nuisances: No noxious, illegal or offensive activities shall be carried on upon any lot or in any part of the property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance or which may in any way interfere with the quiet enjoyment of each of the owners of his respective lot, or which shall in any way increase the rate of insurance for the project, or cause any insurance policy to be cancelled or to cause a refusal to renew the same, or which will impair the structural integrity of any building. Any activity which results in unreasonable levels of noise, dust, or unsightly conditions considering the residential character of the project shall be deemed to be a nuisance.

F. Vehicle Parking Restrictions: No automobile, trailer, camper, mobilehome, commercial vehicle, recreational vehicle, dune buggy, truck, inoperable automobile, boat or similar equipment shall be parked or permitted by any owner to remain on any front yard or driveway or guest parking area within the project, other than temporarily, unless placed or maintained within an enclosed garage or within a rear yard area which is not visible from a street or adjoining property.

G. Signs: No signs shall be displayed to the public view on any lot or on any portion of the property, except for the placement of signs of reasonable dimensions advertising the lot for sale or rent per Civil Code Sec. 712, and EXCEPT as required by city code.

H. Garbage and Refuse Disposal: All rubbish, trash and garbage shall be regularly removed from each lot for collection. Trash, garbage and other waste shall be kept in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. All equipment, garbage cans, woodpiles, or storage piles shall be kept screened and concealed from view of other lots, streets and common area.

I. Radio and Television Antennas: No owner may construct any external radio and/or television antenna without the consent of the Board. Satellite TV receivers shall be permitted as long as they are not visible from public right of way, and required permits are obtained from the City.

J. Liability of Owners for Damage to Common Area: The owner of each lot shall be liable to the Association for all damages to the common area or improvements thereon caused by such owner or any tenant or occupant of his lot or guest.

K. Party Fences; Common Walls: Each fence which is built as a part of the original construction of any structure upon the project and placed on any dividing line between lots shall constitute a party wall, and to the extent consistent with this Declaration the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the owners who make use thereof.

The following covenants and restrictions shall apply with respect to any lots upon which structures sharing a common wall within the structure are constructed:

(1) Each adjoining owner may enter the adjoining unit when necessary in connection with any maintenance or repair of the common wall, utilities in the common wall, or structural work.

(2) If a structure is damaged by fire or other casualty, each owner of a portion of the damaged structure shall immediately rebuild the same at their expense. Should they fail to do so within four (4) months of the date of the casualty, the adjoining owner may do so and charge the expense thereof to the owner of the damaged unit.

(3) The entire structure (both sides) shall be repainted and/or reroofed simultaneously, when needed.

L Architectural and Development Controls:

(1) Architectural Control Committee: There shall be an Architectural Control Committee consisting of three (3) members.

Declarants may appoint all of the original members of the committee and all replacements until the first anniversary of the issuance of the original Final Public Report for the project. Declarants reserve to themselves the power to appoint a majority of the members to the committee until seventy-five percent (75%) of all the lots in the project have been sold or until the second anniversary of the issuance of the Final Public Report for the project, whichever occurs first. After one year from the date of issuance of the original Public Report for the project, the Board shall have the power to appoint one member to the Architectural Control Committee until 90% of all the lots in the project have been sold or until the second anniversary date of the issuance of the Final Public Report for the project, whichever occurs first. Thereafter, the Board shall have the power to appoint all of the members to the Architectural Control Committee. Members appointed to the committee by the Board shall be from the membership of the Association. Members appointed to the committee by Declarants need not be members of the Association. In the event of a vacancy on the committee, a successor shall be appointed by the person, entity, or group which appointed such member until Declarants no longer have the right to appoint any members to the committee, and thereafter the Board shall appoint such successor.

(2) Architectural Character: The character of all development within the project (including any areas annexed thereto) shall be of a Mediterranean village style, utilizing white or off-white plaster walls, deep recessed windows, sloping tile roofs, or where flat roofs are employed using parapets with tile caps, wood beams and windows, and solid patio walls. Architectural designs on single family lots should take advantage of grades by building and stepping the units into the slope of the hillside, and encouraging the use of terracing in those areas not enclosed within buildings to create the village motif.

(3) Architectural Controls: The following specific architectural controls and requirements shall apply to any development within the project:

(a) Mattie Road Setback: All portions of all structures shall be set back a minimum of fifty feet (50') from the newly-created right of way line along Mattie Road;

(b) Collector Road Setbacks: All garages facing any collector road shall set back a minimum of fifteen feet (15') from the edge of pavement. All other portions of single family residential structures and garages oriented parallel to the street wherein access is not direct to the street may be set back a minimum of ten feet (10') from the edge of pavement.

(c) Setbacks From Open Space Easements: Residential structures may have a zero setback from adjoining areas covered by open space easements.

(d) Yard Setbacks: Except as otherwise set forth in this Section, single family residential structures shall be set back a minimum of three feet (3') from interior side and rear property lines, and ten feet (10') from roadway side yard areas (with the exception of duplex units joined by a common wall and having a zero setback).

(e) Common Access Driveway Setbacks: The garages of single family residences served by common access driveways shall be set back a minimum of fifteen feet (15') from the edge of pavement of the common access driveway, or shall have their individual drives designed to allow for one space of tandem parking between the edge of the pavement of the common access drive and the opening to their garage. Other portions of single family residential structures served by common access drives may be situated within five feet (5') of the edge of pavement of common access drives.

(f) Coverage Requirements: For all single family lots west of the collector road, the maximum area contained within residential structures shall not exceed seventy percent (70%) of the lot area between the Mattie Road setback and the edge of pavement of the collector road. For all single family lots to the east of the collector road, maximum building coverage shall not exceed seventy percent (70%) of the lot area.

(g) Building Height Requirements: Structures developed on single family lots shall not exceed a building height of

twenty-five feet (25') above the grade existing prior to the development of the tract.

(h) Minimum Square Footage; Garages: All houses shall have a minimum square footage of 1,650 square feet, to include a minimum of a two-car garage.

(i) Solar Access: All lots shall be furnished with solar access as required by applicable City criteria.

(j) Exterior Materials: Exterior materials and colors shall be limited to those allowed by applicable conditions of approval for the project, and as noted in Section M-2 above.

(k) Roof Colors: All roofs shall be of Spanish-style tile material with a color range of tan, brown, orange and red.

(l) Architectural Regulation:

No building, fence, wall, balcony, patio cover, awning, carport, or structure of any kind which is visible from outside any lot shall be commenced, erected, painted, or maintained upon any lot, nor shall any alteration or improvement of any kind or change in exterior color be made to existing improvements, until the same has been approved in writing by the Architectural Control Committee. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such improvements shall be submitted to the committee for approval as to quality of workmanship and design, harmony of external design with existing structures, compliance with this article, and as to location in relation to surrounding elements.

Notwithstanding any provision of this Subsection (l), all lots shall be entitled to construct on or upon the exterior thereof solar energy devices for the purpose of furnishing heat and/or energy to a building on that lot without prior approval from the Association, as long as the same is designed, constructed and installed in accordance with accepted architectural and engineering principles. All solar panels shall be located on flat roof areas, only, and shall be screened by parapets. No solar panel shall be installed on a tile roof unless approved by the Board. Solar panels not installed on a roof shall not be in a visible yard area.

No landscaping of yards visible from the street or from the common area not involving the use of natural plants, grass, trees or shrubs, or synthetic materials ordinarily used for landscaping purposes, shall be undertaken by any owner until plans and specifications showing the nature, kind, shape, and location of the materials have been submitted to and approved in writing by the committee.

ARTICLE VII

GENERAL PROVISIONS

1. Enforcement: The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, and in such action be entitled to recover reasonable attorney's fees as are ordered by the Court. Failure by the Association or by any other to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

In the event that an owner fails to maintain the exterior of his lot and/or residence in a manner which the Board deems necessary to comply with the maintenance provisions of this Declaration, the Board may notify the owner of the work required and direct that it be done within sixty (60) days from the giving of such notice. In the event that the owner fails to carry out such maintenance within such period, the Board may (following notice and hearing as required by Article IV, Section 11,) cause such work to be done and charge the cost thereof to the owner.

2. Invalidity of any Provision: Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this project is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

3. Encroachment Easements: Each lot within the property is hereby declared to have an easement over all adjoining lots and the common area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, and roof overhangs as long as they shall exist, and the rights and obligations of owners shall not be altered in any way by the encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if the encroachment occurred due to the willful misconduct of an owner or owners. In the event a structure is partially or totally destroyed, and then repaired or

rebuilt, the owners of each lot agree that minor encroachments over adjoining lots or common area shall be permitted and that there shall be valid easements for the maintenance of these encroachments so long as they shall exist.

4. Mortgage Protection Provisions: No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any lien provision herein, shall render invalid the lien of any mortgage or deed of trust on any lot made in good faith and for value; all these covenants, conditions and restrictions shall be binding upon and effective against any owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Except upon the prior written approval of at least fifty-one percent (51%) of all first mortgagees in existence on the lots based on one (1) vote for each mortgagee, neither the Association nor the members shall be entitled to amend a material provision of this Declaration, or the Bylaws or the Articles. For purposes of determining what provisions are material in this Declaration and in the Bylaws or the Articles, such terms shall include provisions relating to: (A) Voting rights (B) assessments, assessment liens, or subordination of assessment liens (C) reserves for maintenance, repair and replacement of common area (D) responsibility for maintenance and repairs (E) interest in and rights to use common area (F) lot boundaries (G) annexation or withdrawal of property to or from project (H) insurance or fidelity bonds (I) leasing of units (J) restrictions on owner's right to sell or transfer lots (K) decision by Association to convert from professional management to self-management (L) restoration or repair of common area (M) action to terminate legal status of project (N) provisions which expressly benefit mortgage holder, insurers or guarantors.

No part of the common area may be abandoned, partitioned, sold, alienated, subdivided, released, transferred, hypothecated or otherwise encumbered, without the prior approval of sixty-seven percent (67%) of first mortgagees; provided, however, the granting of easements for public utilities and other public purposes consistent

with the intended use of the common area shall not require such approval.

Any first mortgagee of any lot or the common area, upon written request to the Association, is entitled to:

A. Inspect the books and records of the Association during normal business hours.

B. Receive the annual audited financial statements of the Association ninety (90) days following the end of the Association's fiscal year.

C. Receive written notice of all annual and special meetings of the members or of the Board. First mortgagees shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this Declaration which have not been corrected or made the subject of remedial action by the Association; provided, however, nothing contained in this section shall give a first mortgagee the right to call a meeting of the Board or of the members for any purpose or to vote at any such meeting.

Any first mortgagee on any lot shall be entitled to written notification from the Association of any default in the performance of the obligations imposed by this Declaration by the owner whose lot is encumbered by such mortgagee's mortgage, which default has not been cured within sixty (60) days of a request therefor by the Association; provided, however, the Association shall only be obligated to provide such notice to first mortgagees who have previously requested such notice in writing.

In the event this Declaration is amended to provide for any right of first refusal in the Association, a mortgagee who comes into possession of a lot pursuant to a judicial foreclosure or a trustee's sale shall be exempt from this provision.

In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

In the event that the common area or any portion thereof is substantially damaged or is made the subject of any condemnation

proceeding in eminent domain or is otherwise sought to be acquired by a condemning authority, the Board shall promptly notify any first mortgagee affected by such destruction, taking or threatened taking. As used herein, "substantially damaged" shall mean damage exceeding Ten Thousand Dollars (\$10,000). If requested in writing by a first mortgagee, the Association shall evidence its obligations under the section in a written agreement in favor of such first mortgagee.

In the event of a proposed action by the Association requiring a prescribed vote for approval by first mortgagees, if any first mortgagee does not respond to a proposal within thirty (30) days from the date of mailing of notice of such proposal that first mortgagee's vote shall be counted as a "yes" vote.

5. Entry for Repairs: The Board or its agents may enter any lot when necessary in connection with any maintenance, landscaping or construction for which the Association is responsible or has acted to undertake in accordance with this Declaration. Such entry shall be made with as little inconvenience to the owner as practicable and any damage caused thereby shall be repaired by the Board at the expense of the Association. Except in the case of an emergency, 48 hours notice shall be given to the owner or occupant.

6. Insurance; Damage or Destruction: The Association shall obtain and continue in effect, a master policy of insurance covering real property, improvements, and personal property owned by the Association, with coverage as determined by the Association, which shall include public liability and property damage insurance for the common area and any act of the Association in effecting its duties, and a fidelity bond covering any officers and employees, satisfactory to the Association. The policies shall insure the Board and the members of the Association.

Insurance premiums for the master policy shall be a common expense included in the monthly assessments levied by the Association, and the portion of such payments necessary for the insurance premiums shall be held in a separate account of the Association and shall be used solely for the payment of the master insurance policy premiums as such premiums become due.

In the event of partial or total destruction of the common area or any of its elements, and an election by the owners not to rebuild, any insurance proceeds received on account of such destruction shall be distributed equally among the lot owners and their respective mortgagees.

7. Condemnation: Any condemnation award affecting all or a part of the common area or any of its elements paid to the Association shall be distributed equally among the lot owners and their mortgagees.

8. Limitation of Restrictions on Declarants: Declarants are undertaking the work of construction of the residential dwellings and incidental improvements upon the property. The rapid completion of that work and the sale, rental, and other disposal of these lots is essential to the establishment and welfare of the project as a residential community. Nothing in this Declaration shall be understood or construed to:

A. Prevent Declarants, their contractors, or subcontractors from doing on the property or any lot whatever is reasonably necessary or advisable in connection with the completion of the work; or

B. Prevent Declarants or their representatives from erecting, constructing and maintaining on any part or parts of the property such structures as may be reasonable and necessary for the conduct of their business of completing the work, establishing the property as a residential community, and disposing of the same in parcels by sale, lease or otherwise; or

C. Prevent Declarants from conducting on any part of the property their business of completing the work, or establishing a plan of ownership and of disposing of the property in Planned Development Units by sale, lease or otherwise; or

D. Prevent Declarants from maintaining such sign or signs on any of the property as may be necessary for the sale, lease, or disposition thereof; however, signs may not be posted by Declarants upon any lot not owned by Declarants unless the consent of the lot owner is first obtained. This is not intended to prohibit Declarants' use of the common area, subject to the provisions of this Article.

As long as Declarants or their successors and assigns own one or more of the lots established and described herein, Declarants or their successors and assigns shall be subject to the provisions of this Declaration.

Nothing in this section shall be deemed to authorize Declarants to unreasonably interfere with other owners' rights and enjoyment in the common area. Declarants' rights under this Section shall expire three (3) years from the issuance of the original Public Report for the project.

9. Termination of Any Responsibility of Declarants: In the event Declarants shall convey all of their right, title and interest in and to the property to any partnership, individual, or individuals, corporation or corporations, Declarants shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarants.

10. Owners' Compliance: Each owner, tenant, or occupant of a lot shall comply with the provisions of this Declaration, and to the extent they are not in conflict with the Declaration, the Articles, the Bylaws, decisions and resolutions of the Association or its duly authorized representative, as lawfully amended from time to time. Failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due, for damages and/or for injunctive relief.

11. Notices: Any notice permitted or required by the Declaration, Articles or Bylaws may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each person at the current address given by such person to the Secretary of the Board, addressed to the lot of such person, if no address has been given to the Secretary.

12. Fair Housing: No owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing,

or mortgaging, or occupancy of his lot to any person of a specified race, color, religion, ancestry, or national origin.

13. Enforcement and Nonwaiver:

A. Right of Enforcement: Except as otherwise provided herein, the Association and/or any owner of any lot shall have the right to enforce any or all of the provisions of this Declaration upon any property within the project and the owners thereof.

B. Violations and Nuisance: Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action by Declarant or the Association or any owners of lots.

C. Violation of Law: Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation, or use of any property within the project is hereby declared to be a violation of these restrictions and subject to any or all of the enforcement procedures set forth in these restrictions.

D. No Forfeiture of Rights: There shall be no power in the Association to cause any forfeiture or abridgment of an owner's rights to the full use and enjoyment of his individually owned subdivision interest on account of a failure by the owner to comply with provisions of the governing instruments or of duly-enacted rules of operation for common area and facilities, except where the loss or forfeiture is the result of the judgment of a Court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the owner to pay assessments levied by the Association.

E. Captions: All captions and titles used in this Declaration are intended solely for convenience or reference and shall not affect that which is set forth in any of the provisions hereof.

F. No Right Given to the Public: Nothing contained in this Declaration shall be deemed to be a gift or dedication of any portion of the project to the general public or for any public use or purpose.

14. Interpretation: The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of the project. This Declaration shall be construed and governed under the laws of the State of California.

15. Arbitration: Any disputes between the Association and any owner shall be settled by arbitration pursuant to the rules of the American Arbitration Association.

ARTICLE VIII

AMENDMENT TO DECLARATION

1. Procedure: After the sale of the first lot, this Declaration may be amended by the vote or written consent of sixty-seven percent (67%) of the voting power of the Association and at least a majority of members other than the Declarants; or, if a 2-class voting structure is still in effect, sixty-seven percent (67%) of the voting power of each class of members. Notwithstanding anything herein contained to the contrary, no such amendment shall be effective for any purpose unless and until the same has been reduced to writing, signed by two officers of the Association who shall certify that said amendment was made in compliance with this Article, and recorded in the office of the County Recorder of San Luis Obispo County, California.

2. Amendment by Declarants: Prior to the sale of the first lot, Declarants shall have the right to amend this Declaration at any time by recording a copy of such amendment in the office of the County Recorder of San Luis Obispo County, California, provided that any prior written consent of the Real Estate Commissioner required by Section 11012 of the California Business and Professions Code is first obtained.

3. Prior Approval by City of Pismo Beach: Notwithstanding any other provisions of this Declaration, no amendment, change, modification, or termination of the conditions, covenants and restrictions of this Declaration regarding the following provisions shall be effective for any purpose until approved in writing by the Planning Director of the City of Pismo Beach, California:

- A. Regulation of land use;
- B. Maintenance of common area facilities; and
- C. Dissolution of the Association.

ARTICLE IX

ANNEXATION

1. Declarants intend that there will be other compatible developments on properties adjacent to the subject property as shown on the map of Annexable Properties attached hereto as Exhibit A and incorporated herein. Said areas, or any portions thereof, may be annexed to the project and made subject to this Declaration at the written election of the Declarants or by Declarants' successors in title made at any time and from time to time within three (3) years following the original issuance of a Final Subdivision Public Report by the California Department of Real Estate for the most recent phase of the project. Such election shall be made by the recording of a supplement to this Declaration (the "Supplement") by the owner or owners of the phase to be annexed. The Supplement shall describe the real property to be annexed and shall state that it is being effected pursuant to the terms of this Declaration for the purpose of annexing the property described in the Supplement to the Declaration. Any Supplement recorded in accordance with the terms of this Section shall be conclusive in favor of all persons who relied on it in good faith. Upon recording the Supplement in accordance with the provisions of this Declaration, the real property described in the Supplement shall be part of the project and shall be subject to the provisions of this Declaration and to the rights and powers of the Association pursuant to the terms of this Declaration, the Articles, and the Bylaws. Thereafter, all of the owners of the annexed property shall automatically be members of the Association, with voting rights commencing on the date that regular assessments commence. Regular and special assessments with respect to the annexed real property shall commence at the time and to the extent provided under Article IV of this Declaration. Any additional common areas which are established as part of the annexed property shall be conveyed to the Association concurrently with the recording of the Supplement.

Declarants in such Supplement shall expressly reserve for the benefit of all property that may from time to time be covered by this Declaration reciprocal easements of use, enjoyment, access, ingress and egress. Such easements may be used by Declarants, their

successors, purchasers, and all owners of lots, their guests, tenants, and invitees for purposes reasonably necessary to the use and enjoyment of all lots in the project. The Supplement may contain additions, amendments, and modifications to this Declaration necessary to reflect the different character, if any, of the real property being annexed, which are not inconsistent with the general scheme of this Declaration or which are required by any institutional first mortgagee to make lots in the project eligible for mortgage purchase, guarantee, or insurance. Notwithstanding the foregoing, unless approved by the California Department of Real Estate no Supplement may cause a substantial increase in the common area costs and expenses then being borne by owners that was not disclosed in the Final Subdivision Public Report for the project in which an owner purchased his lot, or otherwise materially adversely affect the rights of owners without the prior affirmative vote or written consent of at least sixty-seven percent (67%) of each class of owners entitled to vote and their mortgagees.

Any supplement under this Article may provide for the Association to maintain and repair any buildings in the annexed phase which are common wall structures, as long as only the owners of the affected lots pay all costs of such maintenance and repair (including fire and casualty insurance and reserve accounts).

Any annexation of property pursuant to the above provisions shall be consistent with the Spyglass Ridge Specific Plan, other applicable ordinances and regulations of the City of Pismo Beach, and any tract map for the annexed property.

2. In addition to said phases, additional parcels and phases may be annexed to and become subject to this Declaration upon approval in writing of the Association, pursuant to vote or written consent of a two-thirds (2/3) majority of the voting power of the members, excluding the Declarant, and the approval of the California Department of Real Estate and of sixty-seven percent (67%) of all mortgagees of lots. The Association and the owner of any property who desires to add it to the scheme of this Declaration under this Article and to subject it to the jurisdiction of the Association shall file and record a Declaration of Annexation.

ARTICLE X

ENFORCEMENT OF BONDED OBLIGATIONS

1. If the Association is the obligee under a bond or other arrangement ("bond") to secure performance of a commitment of the Declarants or their successors or assigns to complete Common Area improvements not completed at the time the final subdivision public report for the project is issued, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any improvement for which a notice of completion has not been filed by the later of (i) 60 days after the completion date specified for that improvement in the "planned construction statement" appended to the bond, or (ii) 30 days after the expiration of any written extension given by the Association.

If the Board fails to consider and vote on the action to enforce the obligations under the bond, or if the Board decides not to initiate action to enforce the obligations under the bond, then on receipt of a petition signed by Owners representing not less than five percent of the total voting power of the Association, the Board shall call a special meeting of Owners for the purpose of voting to override the decision of the Board not to initiate action or to compel the Board to take action to enforce the obligations under the bond. The Board shall give written notice of the meeting to all Owners entitled to vote in the manner provided in this Declaration or in the Bylaws for notices of special meetings of Owners. The meeting shall be held not less than 35 days nor more than 45 days after receipt of the petition. At the meeting, the vote in person or by proxy of a majority of the Owners entitled to vote (other than Declarants) in favor of taking action to enforce the obligations under the bond shall be considered the decision of the Association and the Board shall implement this decision by initiating and pursuing appropriate action in the name of the Association.

The Association shall act in a reasonably prompt manner to exonerate Declarants and its surety under any bond in favor of the Association, provided such exoneration is appropriate.

ARTICLE XI

CONFORMANCE TO CITY REQUIREMENTS

1. Violation of Ordinances or Permits: Nothing in these CC&Rs shall be construed to authorize the Association, Board, Owners, or Occupants to violate the provisions or restrictions of any cognizant governmental authority including without limitation the laws, ordinances, permits and powers of the City of Pismo Beach applicable to the project.

2. Approval of Amendments by the City of Pismo Beach: Any amendment to these CC&Rs shall be submitted for approval, and shall not become effective until such amendment has been reviewed and approved as to form by the City of Pismo Beach. Such review and approval shall be solely for the purpose of ensuring that such amendments do not conflict with any conditions attached to the approval of the subdivision of said City or existing city codes.

3. Right of City to Compel Performance: The City of Pismo Beach is hereby given ancillary jurisdiction over the enforcement of these CC&Rs with respect to the duty to maintain common areas. In the event of breach of any duty or interference with any of the rights or benefits herein established, the City of Pismo Beach may give written notice of such breach or interference to the Association, together with a demand on the Association to remedy the breach. If the Association refuses to do so, or fails to take appropriate action within thirty (30) days of receipt of said notice, upon a resolution of the City Council of said City, the City shall have full power to perform the necessary maintenance and repair to the Common Area and to charge the cost thereof to the Association. Any funds collected by the City shall be applied, after deducting expenses of enforcement, to correct the breach or interference, and any excess funds shall be paid to or applied for the benefit of the Association and its members.

Dated July 25, 1988

Declarant:

[Signature]
 DAMON B. STANLEY

[Signature]
 SUZANNA E. STANLEY

[Signature]
 CHRISTI HUNEYCUTT-HASBUN

[Signature]
 HARRY C. HUNEYCUTT

By *[Signature]*
 his Attorney-in-fact

3004 (6/82) (Attorney in Fact) Ex. 1 American Title Company

STATE OF CALIFORNIA SAN LUIS OBISPO ss.
COUNTY OF

On JULY 25, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared CHRISTI HUNEYCUTT-HASBUN

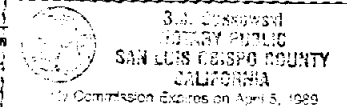
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument as the Attorney in Fact of HARRY C. HUNEYCUTT

and acknowledged to me that he/she subscribed the name(s) of HARRY C. HUNEYCUTT

thereto as principal(s), and his/her own name as Attorney in Fact.

WITNESS my hand and official seal.

Signature *[Signature]*
B. J. BUNKOWSKI



(This area for official notarial seal)

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CONSENT OF LIENHOLDER
AND SUBORDINATION OF LIEN

The undersigned are beneficiaries under that certain deed of trust recorded January 27, 1986, as Instrument No. 4643, Book 2794, Page 992, of Official Records of San Luis Obispo County, and is modified by those certain assignments of deed of trust recorded as follows: November 3, 1986, as Instrument No. 72531, in Book 2907, Page 420, and recorded December 5, 1986, as Instrument No. 80754, in Book 2921, Page 621. The undersigned hereby consent to all of the provisions contained in the attached Declaration and agree that the lien of said deed of trust and said assignment shall be junior and subordinate and subject to said Declaration.

Dated: July 26, 1988.

Lienholder

Frank G. Seibel

Frank G. Seibel, Executor for the Estate
of Joseph M. Seibel

Jack Cravens

Jack Cravens

James R. Stroub

James R. Stroub

Sheila K. Stroub

Sheila K. Stroub

John T. Growney

John T. Growney

Johnny E. Cravens

Johnny E. Cravens

Cindy Cravens

Cindy Cravens

Gertrude Growney

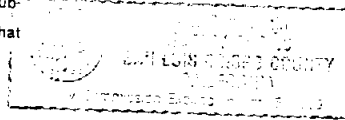
Gertrude Growney

3001 (6/82) (Individual) First American Title Company

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO ss.
On July 27, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared

James R. STROUB ?
Sheila K. STROUB ?

personally known to me (or 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.



WITNESS my hand and official seal.

Signature [Signature]

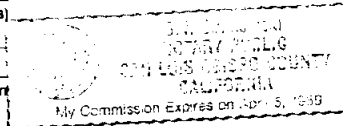
(This area for official notarial seal)

3004 (6/82) (Attorney in Fact) First American Title Company

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO ss.
On July 29, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared

MART T. CROWNEY

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument as the Attorney in Fact of JOHN T. CROWNEY & GERTRUDE CROWNEY and acknowledged to me that he/she subscribed the name(s) of JOHN T. CROWNEY GERTRUDE CROWNEY thereto as principal(s), and his/her own name as Attorney in Fact.



WITNESS my hand and official seal.

Signature [Signature]

(This area for official notarial seal)

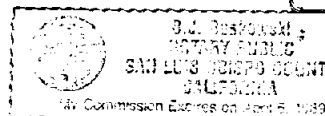
in Title Company

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO ss.
On JULY 26, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared FRANK G. SEIRI

3001 (6:32) (Individual) First American Title Company

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO ss.
On JULY 26, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared JOHNNY E. CRAVENS and CINDY CRAVENS

personally known to me (or 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.



WITNESS my hand and official seal.

Signature [Signature]
B. J. BUNKOWSKI

(This area for official notarial seal)

END OF DOCUMENT

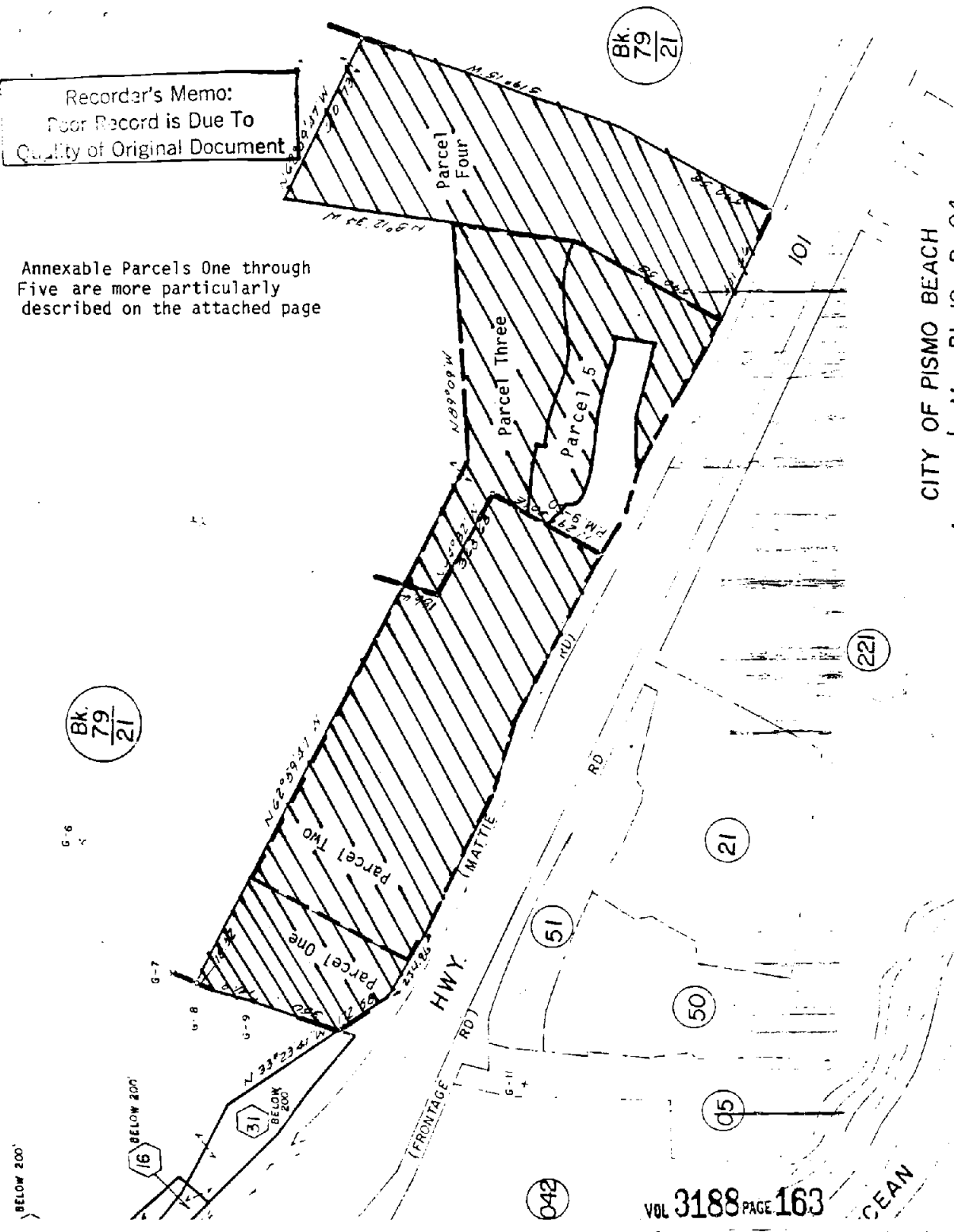
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Recorder's Memo:
Poor Record is Due To
Quality of Original Document

Annexable Parcels One through
Five are more particularly
described on the attached page



Bk. 79
21

Bk. 79
21

G-6
K

BELOW 200'

16 BELOW 200'

31 BELOW 200'

042

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21

50

05

221

101

CITY OF PISMO BEACH
Recorder's Map Bk 10 - Pg 04

CLEAN

EXHIBIT "A" CONTINUED

PARCEL ONE:

Parcel 3 of Parcel Map CO 78-246 in the City of Pismo Beach of San Luis Obispo, State of California, as shown on a map recorded in Book 37 Page 92 of Parcel Maps in the office of the County Recorder of said County.

PARCEL TWO:

Parcel Two of Parcel Map CO 78-246 in the City of Pismo Beach, County of San Luis Obispo, State of California, as shown on a map recorded in Book 37 Page 92 of Parcel Maps in the office of the County Recorder of said County.

PARCEL THREE:

Lot 3 of Tract 1307 Unit Two, Phase One as shown on a map recorded in Book 13 Page 73 of Maps in the office of the County Recorder of San Luis Obispo County.

PARCEL FOUR:

Parcel A: Parcel 2 of Parcel Map CO 72-226 as shown on a map recorded in Book 9 Page 60 of Parcel Maps in the office of the County Recorder of San Luis Obispo County.

Parcel B: Beginning at Point P-22, the Southeast corner of said Lot 6, as shown on Map of Pismo Terrace, filed in Book 3, Page 65 of Maps, and running thence N64 Degrees 45 Minutes W 1026.13 feet along the Sutherly line of said lot to a point, thence N 20 Degrees 45 Minutes E 884.50 feet to a point, thence N56 Degrees 20 Minutes West 159.71 feet to the true point of beginning; thence from said true point of beginning N 64 Degrees 35 Minutes West 208.72 feet to a point; thence N. 25 Degrees 25 Minutes East 208.72 feet to a point; thence South 64 Degrees 35 Minutes East 208.72 feet to a point; thence South 25 Degrees 25 Minutes West 208.72 feet to the point of beginning.

PARCEL FIVE:

"Remainder" Parcel as shown on the map of Tract 1307, Unit Two, Phase One, recorded in book 13 Page 73 of Maps in the office of the County Recorder of San Luis Obispo.

END OF DOCUMENT

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