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SUMMIT HILLS

AMENDED DECLARATION & ESTABLISHMENT OF
PROTECTIVE COVENANTS, CONDITIONS & RESTRICTIONS
AND
ESTABLISHMENT OF SUMMIT HILLS ARCHITECTURAL,
PLANNING & STREET MAINTENANCE ASSOCIATION AND BOARD;
ESTABLISHMENT OF RULES, REGULATIONS & RESTRICTIONS
FOR SUCH BOARD
AND
GRANTS OF AND RESERVATIONS OF EASEMENTS

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AMENDED DECLARATION & ESTABLISHMENT OF
PROTECTIVE COVENANTS, CONDITIONS & RESTRICTIONS
AND
ESTABLISHMENT OF SUMMIT HILLS ARCHITECTURAL,
PLANNING & STREET MAINTENANCE ASSOCIATION AND BOARD;
ESTABLISHMENT OF RULES, REGULATIONS & RESTRICTIONS
FOR SUCH BOARD
AND
GRANTS OF AND RESERVATIONS OF EASEMENTS

This Amended Declaration is made and dated October 5, 1998, by
SUMMIT HILLS ARCHITECTURAL, PLANNING & STREET MAINTENANCE
ASSOCIATION, a California nonprofit mutual benefit corporation,
hereinafter called "Declarant."

Declarant represents the owners of real property described in
Article II of this Declaration.

It is the intention of Declarant to impose mutual beneficial
restrictions under a general scheme of improvement for the
benefit of all the property and its owners.

Declarant declares that all of the property is held and shall
be held, conveyed, hypothecated or encumbered, leased, rented,
used, occupied and/or improved subject to the following
limitations, restrictions, covenants, reservations and street
maintenance provisions, all of which are declared and agreed to be
for the purpose of enhancing and protecting the value,
desirability, and attractiveness of the property. All of the
limitations, restrictions, covenants and street maintenance
provisions shall run with the land, and shall be binding on all
parties having or acquiring any right, title, or interest to the
property or any part or lot therein and shall inure to the benefit
of all the property and the future owners of that property or any
portion of it.

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AMENDMENT AND RESTATEMENT OF PREVIOUS DECLARATIONS

Those certain "Declarations & Establishment Of Protective Covenants & Restrictions And Establishment Of Architectural, Planning & Street Maintenance Board; Establishment Of Rules & Regulations For Such Board And Grants Of And Reservations Of Easements," recorded as Document Numbers 20868 and 40952 in Official Records of San Luis Obispo County, California, on April 14, 1986, in Book 2820 at Pages 658 through 708, and on July 20, 1988 in Book 3173 at Pages 626 through 679, inclusive, are hereby amended and restated. This Amended Declaration (hereinafter sometimes "Declaration") is intended to, and shall, replace and supersede the instruments recorded as Document Numbers 20868 and 40952 referred to above. Declarant represents all of the owners of all of the real property described in Document Numbers 20868 and 40952.

ARTICLE I

DEFINITIONS

1. "Public Authority" and/or "Appropriate Public Authority" shall mean the political entity having jurisdiction over the property, presently the County of San Luis Obispo.

2. "Lot" means one of the numbered lots or parcels of real property described on Exhibit "A" herein, plus any lots created by any future subdivision of a lot if allowed by the appropriate public authority.

3. "Property" and/or "The Property" means the property described in Exhibit "A" herein or any portion of it.

4. "Building Site" means any area which may be defined on a lot by a Development Plan approved by, and on file with the

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appropriate public authority or, if not so designated by such appropriate public authority, then any such area as may be designated by Declarant, on which a residence may be constructed.

5. "Street" shall include any road, street, lane, court, place, way, or private driveway, whether public or private as shown on the map of the property. "Private Driveway" means not only the driveway to the building site or residence on any lot, but also driveways used in common with other owners to access the County maintained portion of San Miguel Road or the City maintained portion of Old Morro Road.

6. "Map" shall mean any subdivision map, now existent or approved in the future by an appropriate public authority with respect to all or any part of the property.

7. "Fire Department" shall mean the San Luis Obispo County Fire Department, California Department of Forestry.

ARTICLE II

PROPERTY; ASSOCIATION; MEMBERSHIP IN ASSOCIATION; AND ASSOCIATION'S BOARD OF DIRECTORS

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The property, which is the subject of and is affected by this Amended Declaration, is known as "Summit Hills" and is more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

The SUMMIT HILLS ARCHITECTURAL, PLANNING & STREET MAINTENANCE ASSOCIATION, a California nonprofit mutual benefit corporation, was established by Articles of Incorporation filed with the California Secretary of State on April 11, 1989 (Doc. No. 1637896). This incorporated Association may be referred to as "Summit Hills Homeowner's Association," and/or "Homeowner's Association," and/or "Association." Each and every lot owner is a member of the Association.

All owners of the property and their successors in interest shall abide by and be bound by this Amended Declaration and, also, the rules, regulations and powers of the Association acting through it's duly elected Board of Directors. The Association's rules, regulations, powers, and duties, as set forth herein shall vest in it's duly elected Board of Directors (the "Board").

ARTICLE III

**SUMMIT HILLS ARCHITECTURAL, PLANNING & STREET MAINTENANCE
ASSOCIATION; ITS BOARD OF DIRECTORS; AND ITS RULES,
REGULATIONS, PROCEDURES, POWERS AND DUTIES**

A. BOARD OF DIRECTORS/OFFICERS. The Board shall consist of three (3) persons, who shall serve as the Association's Board of Directors and Officers. Such three persons shall be subject to removal and replacement by a majority of the owners (members of the Association) at any time. Vacancies shall be filled in the same manner. The Association, its Board and its Officers shall follow all guidelines and regulations of a California nonprofit mutual benefit corporation.

Membership on the Board shall be limited to persons who are owners of one or more of the lots described herein. If three (3) persons cannot be found to serve as Board members, after notice to all lot owners, all functions of the Board may be exercised by two (2) persons, or by one (1) person, who qualify for membership on the Board.

At all times, membership on the Board shall be limited to persons who are owners or co-owners of a lot. Ownership of less than twenty percent (20%) interest in any partnership or corporation or other entity that, itself, is owner of one of the lots, shall not qualify as a person to serve on the Board as an "owner." The Board shall establish reasonable rules and

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regulations for the conduct of its business, including providing for, and communicating to all owners in a reasonable manner, an election of Board members on an annual basis. A current Board member may vote on his own project submittals or requests for exceptions to this Declaration if he does not gain monetarily from the projects or submittals.

B. VOTING RIGHTS.

1. Voting Appurtenant to Ownership. Each lot, whether title is vested in a single individual, or more than one person, or by a legal entity such as a partnership or corporation, shall possess one vote. With the exception of an authorized written proxy, voting rights may not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way on a transfer of title to a lot and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a lot shall transfer automatically the appurtenant membership to the transferee. Any party that holds an interest in a lot merely as security for performance of an obligation shall not be entitled to vote.

2. Majority Approval Required. Except as otherwise provided in this Declaration, all matters requiring the approval of owners shall be deemed approved if owners holding a majority of the total voting power of all owners assent to them by written consent, or if approved at any duly called regular or special meeting at which a quorum is present, either in person or by proxy, by owners holding a majority of the total voting power of all owners present, either in person or by proxy.

3. Joint Ownership Votes. The vote that is attributed to each lot may not be cast on a fractional basis. If the lot has

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more than one owner and the owners are unable to agree as to how the vote should be cast, the vote shall be forfeited on the matter in question. If one owner casts the vote attributed to a lot, the vote shall conclusively bind all the owners of that lot. If more than one owner casts the vote attributed to a lot in any matter in which only one vote could be cast for that lot, the votes cast by all owners of that lot shall not be counted and shall be considered void.

C. BOARD PROCEDURES. The Board shall keep written records of its activities and, particularly, consents and exceptions the Board may grant to any lot or lots to or from the requirements of this Declaration. At all times, any lot owner or his agent may have the right, upon reasonable notice, not to exceed 14 days, to inspect such records. The Board shall not be required to hold regular meetings, or frequent meetings, but shall meet as necessary to accomplish the purposes set forth in this Amended Declaration. At least once every six months the Board shall conduct a formal meeting, inviting all lot owners to attend upon 10 days' written advance notice. Minutes shall be taken at all meetings, copies of which shall be available upon request to any lot owner.

Board members shall serve without compensation.

The Board shall establish a projected budget for the twelve (12) months of their tenure to cover its administrative expenses including but not limited to the following: postage, office supplies, photocopies, toll calls, secretarial or bookkeeping services; as well as landscaping services and costs; utility charges; insurance premiums and any anticipated services and associated costs that may be provided by attorneys, accountants, engineers or any other professionals.

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Each lot owner shall pay to the Board an assessment shared equally by every lot and based on the projected yearly budget.

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The Board, before September 1 of each year, shall send each lot owner a copy of the projected budget for the year, as well as a notice of the place, date and time of the budget/assessment meeting. The budget/assessment meeting shall take place on or before September 15 of each year, and the purpose of the meeting is to provide all lot owners an opportunity to discuss the yearly budget and its resulting assessments. If ten (10) lot owners or their proxied representatives question and/or disagree with an item in or a portion of the budget or the entire budget and they cannot come to an agreement with the Board at the budget/assessment meeting, then the dissenting lot owners shall prepare a one-page summary of their position; the Board shall prepare a one-page summary of its position; a ballot shall be prepared by the Board with input from the dissenting lot owners; the Board shall send out the ballots and the summaries to all lot owners at the Association's expense; after their initial mailing, the ballots shall be returned within fourteen (14) days to the Board; both the Board and the dissenting lot owners will be present when the ballots are counted; the affirmation or amendment of the budget shall be decided by a simple majority vote of all lot owners.

The purpose of this yearly assessment is to create a fund allowing the Board to pay for such expenses.

Notwithstanding any other provision in this Article III to the contrary, the Board may not (1) impose an assessment for any fiscal year more than 20 percent (20%) above the assessment for the Association's preceding fiscal year, or (2) impose special assessments that exceed five percent (5%) of the budgeted

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administrative expenses of the Association, for that fiscal year without the approval of a majority of the votes at a meeting of the lot owners at which a quorum is present. These limitations, however, do not apply to special assessments authorized in Article IV sections C and E.

The Board shall provide notice by first-class mail to all lot owners of any special assessments not less than 30 days nor more than 60 days before the due date of the special assessment.

In levying any assessments, the Board shall always be guided by the principles of fairness.

Each lot owner's payments shall, by appropriate accounting procedures, be separately identified.

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Each assessment, together with any late charge, interest, collection costs, and reasonable attorneys' fees to enforce collection, shall be the personal obligation of the owner at the time such assessment becomes due and payable. If there is more than one owner of a particular lot, each owner shall be jointly and severally liable. The personal obligation for any delinquent assessments and related sums shall not pass to an owner's successor in interest unless expressly assumed by that successor in interest.

The actions or inactions of the Board or its agents, when exercising their discretion in enforcing this Declaration in good faith and in a reasonable manner, shall not be a basis for damages to any owner of a lot or any other person, nor shall any such actions or inactions by the Board or any member of the Board or their officers or agents, individually or collectively, constitute a cause of action for damages or equitable relief to any owner of a lot or any other person. The Board or any member of the Board, or their officers or agents, all acting singularly or together,

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shall not be responsible for any loss or damage, or be liable in any other way for any errors or defects, either latent or patent, in the plans and specifications submitted for approval, or any building or structure erected in accordance with such plans and specifications, nor for the design, maintenance or improvements to, or on, any street or driveway.

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D. ENFORCEMENT OF BOARD RULINGS OR ASSESSMENTS. In the event of the failure of any owner of a lot or building site to comply within 60 days with any notice of noncompliance or directive or order from the Board, or to contact the Board to explain why the owner needs additional time to so comply, the Board shall have the right and authority, to perform such directive or order. The cost of such performance shall be charged to such owner and may be recovered by the Board in an action at law against such owner.

Therefore, this Declaration shall be deemed to vest the Board with the right to bring a proceeding in equity to enforce the general and specific intent of this Declaration as follows:

The Board may record such notice of noncompliance and thereafter file a proceeding in law or equity or activate any other allowable legal procedure including but not limited to mediation, arbitration, San Luis Obispo County Small Claims Court or San Luis Obispo County Municipal or Superior Courts and, if successful, be entitled to reasonable attorneys' fees and costs. However, the Board is encouraged to make every effort to settle any and all disputes with a lot owner by mediation or arbitration before seeking further relief.

In no event shall any assessment, any unpaid assessment amount, or any late charge, interest, collection costs and/or attorney fees associated with said assessment become a lien on the

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lot owner interest as provided for in Civil Code Section 1367. The Board is specifically prohibited from creating such liens.

ARTICLE IV

BASIC RULES, REGULATIONS AND RESTRICTIONS

A. USE OF PROPERTY. No building shall be erected, constructed, altered or maintained on any of the lots other than a single family residence with customary and suitable outbuildings as permitted by the appropriate public authority and the Board. If sanctioned by the appropriate public authority, a second residence for the use of family members or guests shall be allowed. However, all Tract 1549 lots shall be limited to one such residential structure as provided in Article VII.

B. LOCATION OF STRUCTURES. Construction of structures of any and every nature shall be confined to and take place only within the building limits of each building site or any other location which is approved by the appropriate public authority and the Board. A plan showing the location and design of all structures including swimming pools, fences or gates and outbuildings or garages on each of the building sites must be approved in writing by the Board prior to their construction. Lots 1 through 7, and Lots 15, 16, 17 and 18 of Tract 1549 construction is limited to designated building envelopes in accord with Article VII hereof, and as illustrated in Exhibit "B" hereof.

C. GRADES, SLOPES AND DRAINAGE. No change in the established grade or elevation of the lots, and no change in the established slope or ratio of the cuts and fills which alters established drainage patterns shall be permitted without the prior written consent of the Board and any necessary permits by the appropriate public authority. For the purpose of this Declaration,

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established drainage patterns are defined as the drainage patterns existing at the time the grading of the property was completed in conformity with the grading plan approved by the appropriate public authority.

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Each lot owner agrees to permit free access by the Board and owners of adjacent lots to slopes or drainageways located on his property when the Board deems such access is required for the maintenance or permanent stabilization of the slopes, or maintenance of the drainage systems and structures or for the protection and use of property other than the lot on which the slope or drainageway is located, provided requests for entry are made in advance and that entry is at a time convenient to the owner whose lot is being entered upon. In case of emergency the right of entry shall be immediate.

The Board may always maintain or if necessary stabilize slopes or maintain, repair, improve or replace drainage systems and structures and the Board may levy a special assessment for these costs to the lot or lots benefitted by them.

D. WELLS, DERRICKS AND MINES. No wells for the production of water, oil or gas shall be operated upon any lot unless approved by the appropriate public authority.

E. UTILITY CONDUITS AND LINES. Each lot owner agrees to permit free access by the Board, owners of adjacent lots or utility companies when such access is required to maintain, repair, improve or replace utility conduits or lines, provided requests for entry are made in advance and that entry is at a time convenient to the owner whose lot is being entered upon. The Board may always maintain, repair, improve or replace any utility conduits or lines and the Board may levy a special assessment for these costs to the

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lot or lots benefitted by them.

F. NUISANCE AND NON-CONFORMITY. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the owners or occupants of any other lot.

G. LIVESTOCK. Farm animals or livestock will be allowed under the following conditions: Any lot may have two (2) horses, one (1) cow and one (1) calf, or two (2) sheep, or two (2) goats, or two (2) pigs, or a mixture of the above but never to exceed two (2) in number of the above listed animals. No poultry or fish of any kind shall be raised, bred or kept on the property except for ornamental pond fish. Dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes or in unreasonable quantities, and provided that they do not become a nuisance to the owners or occupants of any other lot. As a further limitation with respect to sheep, goats and/or pigs, these animals shall only be kept on the property when a child, lawfully residing on the property, is raising such animal or animals as a 4-H Club or Future Farmers of America project and in that event, the animal or animals shall only be kept for the time normally allotted to complete the project. Pets must be kept within lot areas or if out of lot areas, then on a leash or tether. Nothing in this paragraph G shall be construed as limiting the power of the appropriate public authority to regulate the number of farm animals or household pets allowed or their maintenance.

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H. TEMPORARY STRUCTURES. No tents, shacks, trailers, basement, garage or outbuildings shall at any time be used on any lot as a residence, either temporarily or permanently; nor shall

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any residence of a temporary character be constructed, placed or erected on any lot.

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I. FENCES, HEDGES AND LANDSCAPING APPROVAL. Landscaping around each main residence shall be initiated within 90 days after the completion of the construction of the residence, and completed as soon as possible and continuously maintained thereafter. Plant species are to be drought and fire resistant. A plan showing the location, style, material, color and height of all fences and gates shall be subjected to the written approval of the Board. No plantings, fences or structures shall be located so as to impede the clear view of vehicle drivers approaching road intersections or substantially and unreasonably impair views from hill sites.

All Tract 1549 lots are subject to the following specific provisions:

Prior to approval of individual building permits, each property owner shall submit a landscaping plan prepared in accordance with Section 22.04.180 of the County Land Use Ordinance to the Department of Planning and Building for review and approval to show building site landscaping including use of fire retardant plant species within the 30 foot (minimum) fuel modification area around each building site, visual screening of residences through the use of landscaping at the perimeter of building sites, and review and approval by the Fire Department. Installation of landscaping shall be the

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responsibility of each lot owner in accordance with the approved plans.

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All of the foregoing specific provisions attached to all Tract 1549 lots may be subject to modification by the appropriate public authority.

J. SIGNS. No signs of any kind, or other advertising device of any character, for any purpose or use whatsoever, shall be erected or posted, except that: (a) one sign, not larger than eighteen by twenty-four inches (18" x 24"), may be erected and maintained to identify the particular lot, including street address, name of occupant or whatever name the owner should give the property, or any combination of these elements. The Board shall liberally allow exceptions to this restriction so as to allow this type of sign to properly identify any such lot and/or its occupants so long as the size and design of the sign is not garish, gaudy, or aesthetically unpleasant; (b) on any one lot or building site one sign, not larger than eighteen by twenty-four inches (18" x 24"), advertising the property for sale or lease, may be erected and maintained; (c) one "No Trespassing" sign per lot or parcel shall be allowed as long as the foregoing guidelines regarding size and design are followed; (d) "No Parking" signs may be erected and maintained as provided for in Article IV, Section W of this Declaration. Each lot owner agrees to pay his share of any street identification sign that is in need of maintenance, repair, improvement or replacement and which directs vehicular traffic to his or others' residences or building sites.

K. POLES, MASTS AND ANTENNAS. No poles, masts or antennas of any type, size or height shall be constructed on any lot, or on or above the roof of any dwelling or structure without first

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submitting to the Board for its written approval a plan showing the type, size, height and location of the proposed pole, mast or antenna. The Board, however, shall always allow cable television hookups, antennas or dishes, properly screened, if possible, so as to allow television reception.

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L. UPKEEP OF REAL PROPERTY. Each lot owner agrees to maintain, water, plant and replant all slopes, banks, and maintain rights of way located on his lots as so as to prevent erosion and to present an attractive, clean, sightly and wholesome appearance at all times. Each lot owner agrees to maintain his driveway in a good, passable condition under all traffic and weather conditions.

M. STORAGE AREAS. No storage area shall be constructed or maintained on the property unless a plan shall first be submitted to and approved in writing by the Board. The Board shall determine in writing that such plan appropriately provides for screening of any such area or yard.

N. STORAGE OF MATERIALS, JUNK AND TRASH. The storage of or accumulation of junk, trash and other offensive or noxious materials is specifically prohibited. No burning shall be permitted except in fireplaces or barbecues, or as allowed by the appropriate public authority. No owner shall permit or cause any trash or garbage to be kept within any portion of the property other than in appropriate containers designed for household trash or garbage. Except on the scheduled day for trash pickup, these receptacles shall be located only in places specifically designated for such purpose.

O. STORAGE OF CARS, TRAILERS, CAMPERS, BOATS, ETC. No house trailer, travel trailer, self-propelled vehicles, boat or boat trailer, truck, van, camper, recreational vehicle, tractor or its

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implements or accessories, or tent of any type shall be openly stored on any street or driveway or building site. Nor shall any such vehicle or enclosure ever be used as a living area for any period of time. All such storage shall be done in outbuildings or garages. Motor vehicles shall not be stored anywhere on a lot outside of a garage. "Storage" is defined as a period of time in excess of seven (7) consecutive days. No painting, repairing or mechanical work, other than customary maintenance work and minor emergency repairs, shall be done on any lot or building site except in outbuildings or garages.

P. USE OF GARAGES. No dwelling shall be constructed or maintained on a building site without a garage large enough to contain two standard sized automobiles. Garages shall be used to park the automobiles and/or trailers, campers, boats or vehicles or equipment belonging to the owner or occupants of any lot or parcel. The construction and use of carports may be permitted with the written consent of the Board only as an addition to the structure after the two car garage has been constructed.

Q. SEPTIC TANK CONSTRUCTION AND MAINTENANCE. All septic tanks shall be engineered, constructed and maintained, at all times, in accord with the laws and regulations established by the appropriate public authority.

All CO-83-151 lots, all Tract 1549 lots, and all COAL-87-177 lots shall be subject to the following specific requirements:

Engineered plans for septic systems shall be submitted to the County Environmental Health Department for review and approval prior to issuance of building permits.

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R. WATER SOFTENERS AND AIR CONDITIONING EQUIPMENT. All water softening equipment, air conditioners and similar appurtenances shall be appropriately screened and their location and screening shall be approved by the Board prior to installation.

S. BRUSH, RUBBISH CONTROL, AND POISONS. The owner of each and every lot within said property shall be responsible for keeping his lot free of all rubbish or debris and reasonably clear of combustible brush which might endanger structures. If any owner fails after 30 days written notice from the Board to remove such combustible brush or rubbish from his lot, the Board shall be entitled to hire workers and equipment to enter upon the lot to remove such brush or rubbish, and the cost of removal shall be immediately due and payable by the owner of such lot to said Board. At all times all lot owners shall follow all guidelines and requirements set forth by the appropriate public authority and/or the California Department of Forestry. No general indiscriminate use of poisons, traps, or other pest control means shall be utilized by any owner without the prior written approval of the Board.

T. DILIGENCE IN CONSTRUCTION. The work of construction and erecting any building or structure shall be pursued diligently and continuously from its commencement to its completion. No outbuildings shall be constructed prior to the completion of the primary residence, except that temporary office and storage buildings may be erected for workers engaged on the construction project. Such temporary buildings must be removed as soon as the primary residence is completed. All structures shall be suitably painted, colored or stained or appropriately treated immediately upon construction as per plans and specifications. The

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construction schedule shall be submitted as a part of the plans and specifications and shall be subject to the approval of the Board.

U. INSPECTION OF TREES, SHRUBS AND PLANTS. The Board, or any member thereof, or any agent of the Board shall have the right to enter upon any of the lots after reasonable advance notice is given to such owner to inspect and control the plants, trees and seed and also to inspect for and control insect pests. This right shall be exercised in the following manner: If, after notice to the owner from the Board of the existence of infected plants, tree diseases, or insect pests, the owner fails or neglects to take such measures for the eradication or control of the same as the Board may deem necessary for the protection of the community, such entry, after reasonable advance notice is given to such owner, may be made and, at the expense of the owner thereof, the Board or its agents may destroy or remove infected or diseased plants and/or trees, and/or spray the same, and/or take such other measures as may be deemed necessary in the opinion of a certified or otherwise qualified arborist, botanist or entomologist to protect the community from the spread of such infection and/or pests. Neither the Board nor any such agent shall be deemed guilty of any manner of trespass for entry or action taken under this paragraph.

Within 20 feet of street shoulders and 100 feet of any structure, vegetation modification shall occur and shall be maintained for fire safety purposes. Within 30 feet of a dwelling, all flammable vegetation shall be removed. Within 60 feet of all structures, ground cover, brush and trees shall be maintained so as to minimize fire hazards, and plant material shall be low volume fuel plant species. At all times all lot owners shall follow all guidelines and requirements set forth by the appropriate public

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authority and/or the California Department of Forestry.

V. GUEST HOUSES. Any guest house permitted by the appropriate public authority and built on any lot must have its own carport or garage. Guest houses and houses for family members may be built, irrespective of the desires of the Board, as permitted by the appropriate public authority. No guest house nor secondary dwelling unit shall be permitted on Tract 1549 lots, those lots being restricted to one residential structure as provided in Article VII.

W. PARKING. Parking shall be prohibited on or adjacent to, any private driveway or street that is used in common with the owner of any other lot or lots or at any place on a lot owned by another. The owner of any lot may remove any vehicle which is parked in violation of this paragraph. The removal shall be done in accordance with California Vehicle Code section 22658 or any other applicable provision of the Vehicle Code. The Board, or if the Board fails to do so, then any lot owner is empowered to erect and maintain appropriate "No Parking" signs, spaced in a reasonable manner, as authorized by the Vehicle Code.

ARTICLE V

EASEMENTS AND RIGHTS OF WAY

The property and its building sites are subject to easements and rights of way reasonably necessary for the purposes set forth in this Article V.

A. POWER TO GRANT EASEMENTS. The Board may grant and convey in the name of all the owners as their attorney-in-fact to any lot owner easements and rights of way in, on, over, or under the property (including individual lots) for the purpose of constructing, erecting, operating or maintaining lines, cables,

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wires, conduits, or other devices for electricity, cable television, power, telephone, public sewers, drainage systems and structures, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities; and each purchaser, in accepting a deed to a lot, expressly consents to such easements and rights of way and authorizes and appoints the Board as attorney-in-fact of such owner to execute any and all instruments conveying or creating such easements or rights of way.

B. PROVISIONS GRANTING PARTICULAR EASEMENTS. The property and each owner, is declared to be subject to all easements, dedications, and rights of way granted or reserved in, on, over, and under the property and each lot as shown on the Map.

C. EASEMENTS RESERVED AND GRANTED. Any easements referred to in this Declaration, or in any separately recorded document recorded by Declarant, shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration and/or such other recorded document in a deed to any lot.

ARTICLE VI

ARCHITECTURAL STANDARDS AND CONTROLS

A. SUBDIVISION STANDARDS. These restrictions have neither the intent nor purpose to in any way affect the subdivision standards which are set up by the appropriate public authority.

B. PURPOSE AND FUNCTIONS OF THE BOARD. The purpose of the Architectural and Planning functions of the Board is to achieve and maintain the aesthetic goals as expressed herein. The function of the Board is to enforce the restrictions by the review of plans and specifications submitted for approval, and by inspection of actual construction and progress to insure conformity with the

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plane and specifications as approved. It is not the intent of this document to deprive the individual owner from having a home of unique design, but to protect the community as a whole, and the individuals comprising the same, from undesirable construction. In this context, exceptions to any of the restrictions contained in any portion of this Declaration may be made by the Board at any time after proper application in writing. The Board, however, shall have no power to waive or alter the provisions of Article I, paragraph 4; Article IX, paragraphs A and B; or the special provisions regarding CO-83-191 lots, Tract 1549 lots, and COAL-87-177 lots as provided in Article IV, paragraphs A, B, I, Q and V, and all of Article VII, all of which were mandated by the County of San Luis Obispo.

C. ON SITE CONSTRUCTION.

1. Location of Lots. The location of the structure or structures on any lot and the landscaping shall bear such an overall relation to the adjacent properties as to create an aesthetically pleasing overall appearance and to reasonably maintain views.

2. Water and Irrigation Systems. Domestic water services and irrigation systems shall be designed with water conservation features.

D. BASIC STRUCTURAL REQUIREMENTS.

1. Type and Character of Design. The exterior building design of all buildings shall be encouraged to be of ranch, Spanish or early California styling and character, or shall be of an original custom design. Exterior design in each case shall be compatible to the rural atmosphere of Summit Hills and the design and type of construction shall be subject to approval by the Board.

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2. Colors. All exterior colors, textures and materials, including roofs, must be set forth in the plans and specifications and approved in writing by the Board prior to the beginning of construction. Color samples shall be submitted with plans and specifications which shall be coded or marked so as to indicate where the colors are to be used upon the finished residence, guest house, garage or outbuilding. Careful consideration of the adjacent and surrounding properties, as well as overall community appearance will be the basis for approval or denial of such color schemes.

3. Size Requirements. No primary residence shall be erected on the property having a total floor area of the main structure less than 1500 square feet. This requirement is exclusive of open porches, garages, patios, exterior stairways, decks and landings.

4. New Materials Only and New Structures Only. No second hand material shall be used in the construction of any buildings or structures without the prior written approval of the Board. All buildings and fences which are of frame construction shall be satisfactorily painted or stained. Building exteriors and siding shall be of non-combustible construction. Combustible eaves, balconies, unenclosed roofs, decks, floors or other similar surfaces, shall be protected on their exposed underside by materials approved for one hour fire resistant construction.

No buildings of any kind shall be moved from any other place to any building site, or from one building site to another.

5. Painting. All exterior wood and manufactured surfaces with the exception of brick shall be painted, stained, or appropriately treated.

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6. Roof Design, Pitch and Materials. No flat roofs shall be permitted, except where the design concept in the opinion of the Board is not detrimental to the environmental or aesthetic character of the adjacent property or the community. The roofing materials to be used shall be mission tile, clay fired tile, concrete tile products, or similar non-combustible material. Other Class A quality roofing materials such as ribbed metal, rock or gravel, composition or fiberglass materials may be submitted for review by the Board and used only with its approval. All vents of every nature shall be sized and screened to prevent fire exposure in accordance with Fire Department approval.

7. Grading and Development. Lot grading and site development shall be subject to the approval of the appropriate public authority.

8. Archeological Resources. In the event archeological resources are unearthed or discovered during any construction activities, the following standards apply:

a. Construction activities shall cease, and the County Environmental Coordinator and County Planning and Building Department shall be notified so that the extent and location of discovered materials may be recorded by a qualified archeologist, and disposition of artifacts may be accomplished in accordance with state and federal law.

b. In the event archeological resources are found to include human remains, or in any other case when human remains are discovered during construction, the County Coroner is to be notified in addition to the County Environmental Coordinator and the County Planning and Building Department so proper disposition may be accomplished.

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9. Alterations, Additions, Remodeling, Redecoration of Exterior Portions of Structure. No alterations in the exterior design or color of any structure, including additions, shall be made without the prior written approval of the Board. The materials used for any such approved alteration must harmonize and complement the original construction of the residence, outbuildings or garage and must be approved by the Board in writing prior to such alteration. No approval is required to re-paint or re-stain any structure with the same color scheme as previously used and approved.

ARTICLE VII

SPECIAL PROVISIONS REGARDING TRACT 1549; REGARDING PARCEL 1 OF COAL #7-177; AND REGARDING LOT 6 OF BLOCK 78

A. TRACT 1549.

1. Building Limits and Building Sites. Only one residential structure shall be allowed on all Tract 1549 lots. Additionally, Lots 1 through 7, and Lots 15, 16, 17 and 18 of Tract 1549, residential structures, including accessory structures, shall be constructed only within the designated building envelopes as illustrated on Exhibit "B" hereof.

2. Sprinkler Systems. Lots 5, 6 and 7 shall, as a condition for construction, be required to provide total coverage residential sprinkler systems or other measures approved by the Fire Department so as to insure adequate fire protection.

3. Oak Tree Removal Restriction. Oak tree removal shall be minimized. Any trees removed shall be subject to issuance of a tree removal permit by County Planning and Building Department. A site plan for the individual lot depicting proposed tree removal shall be submitted to the County Planning and Building Department for site inspection and approval prior to removal of any trees.

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oak tree replanting shall be on a 2 to 1 basis for any oak trees ultimately removed.

4. Evaluation of Building Plans. Each individual site shall be separately evaluated by competent professional geologists and soil engineers before building permits are issued. Prior to issuance of building permits, required sedimentation and erosion control plans shall be submitted to the County Engineer for review and approval, and engineered septic system plans shall be submitted to the County Environmental Health Department for review and approval.

B. PARCEL 1 OF COAL 87-177 AND LOT 6 OF BLOCK 78.

1. These lots shall be required, as a condition for construction, to provide total coverage residential sprinkler systems or other measures approved by the Fire Department so as to insure adequate fire protection.

2. At any given time the Fire Department may modify the foregoing special provisions.

ARTICLE VIII

PLANS, SPECIFICATIONS AND BUILDING ACTIVITIES

A. PLAN REVIEW. The three (3) Board members shall individually review plans and specifications submitted, and each lot owner submitting plans shall pay a reasonable fee to a qualified architect chosen by the Board to also review the plans and specifications and issue an opinion letter to the Board. The Board shall subsequently discuss these plans and specifications as well as the qualified architect's opinion letter jointly at which time a decision shall be made. A written approval signed by two (2) members of the Board will constitute approval of any preliminary or final submittals. If no notice of rejection is

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received after 30 days from the date of receipt of the submittals, inaction shall be deemed to be approval. All decisions of the Board shall be final unless reversed by appeal as provided in Article XIV.

B. SUBMISSION OF PRELIMINARY PLANS. The owner of each lot upon which construction is contemplated shall submit to the Board: (a) a set of preliminary working drawings or plans for any structures, which shall consist of a plot plan, floor plan and elevations, and (b) a landscape plan. Upon review, the Board may request additional drawings for clarification.

C. SUBMISSION OF FINAL PLANS AND SPECIFICATIONS. Upon approval of the preliminary plans, two sets of final structural plans and specifications and two sets of final landscape plans shall be submitted to the Board for final approval. Such plans and specifications shall describe in detail the floor plan arrangement, elevations, section structural solutions, use of material, heights and dimensions, landscapes and patio plans and any other pertinent data as may be required to fully illustrate the intended design, construction and use. Physical samples of the exterior materials shall also be submitted for approval, if requested by the Board. Before giving any final approval the Board may require that the plans and specifications comply with any requirements that the Board may impose as to structural features, types of building materials used, or characteristics not otherwise expressly covered by the provisions herein. The appropriate public authority may at all times dictate/require, because of changing standards and policies, advance to its current construction, fire safety, and landscaping requirements. The approval by the Board shall not relieve the owner from complying with any requirements of any

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public authority having jurisdiction (as provided herein specific County approval may be required) and shall not constitute any representation or guarantee by the Board or any member of the Board as to the structural sufficiency of any construction. Approval of the Board of any plans or specifications, shall not be deemed to be a waiver by the Board of its right to object to any of the same features or elements which may be embodied in any subsequent plans and specifications submitted for approval for other building sites.

D. INSPECTION AND CONFORMITY TO PLANS. During construction, any agent or any member of the Board, may, from time to time, with a prior notice of 48 hours, enter any lot and inspect any construction as to compliance with the approved submittals, and this Declaration. Deviations from the Board approved final plans shall be diligently guarded against, and all such deviations or nonconformities set forth in any notice of noncompliance issued by the Board shall be corrected prior to final acceptance as set forth below. The Board or any agent or officer thereof, acting in good faith, and in a reasonable manner, shall not be deemed guilty of, or become liable for any manner of trespass for such entry or inspection.

E. FINAL ACCEPTANCE.

1. It is the lot owner's responsibility to notify the Board that the County has issued a final inspection and approval of the residence, guest house, outbuildings or garage.

2. The owner of each building site agrees that he will not commence using the structure or structures on the building site until final acceptance from the Board has been obtained in writing.

3. Unless the Board has good cause, this final acceptance shall be issued within 48 hours after the owner's

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notification to the Board.

ARTICLE IX
STREET MAINTENANCE

A. GENERAL STREET MAINTENANCE PROVISIONS. All street maintenance herein shall include necessary work for the maintenance, repair, improvement or replacement of slope banks, drainage systems and structures, safety devices, utility conduits and lines and to the pavement and surface of the streets. ("Streets" are defined in Article I, subparagraph 5 of this Declaration.)

For purposes of this Article IX, Summit Hills has six sets of circumstances regarding street use, as follows (with respect to this Article IX "San Miguel" is defined as, "that portion of San Miguel Road that has been accepted into the San Luis Obispo County road system"):

1. Parcels 1 and 2 of COAL 87-165 abut San Miguel and therefore have no obligation to maintain it.
2. Lots 30 and 31 of Block 79 are serviced by San Miguel but they have an obligation to maintain the portion of San Miguel that is adjacent to the automatic gate as provided in Article X.
3. Lot 12 of Block 78 and Parcel COAL 87-165 are serviced by San Miguel but they have an obligation to maintain the portion of San Miguel that is adjacent to the automatic gate as provided in Article X as well as Rainbow's End Way.
4. Lots 6 and 22 of Block 78 and Lot 15 of Tract 1549 are serviced by City maintained Old Morro Road but they have an obligation to maintain their offshoot of that road that leads to their homes and/or home sites.

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5. Lots 8, 9, 10, 11, 12, 13 and 14 of Tract 1549 are served by San Miguel but they have an obligation to maintain the portion of Rocky Point Lane that they transverse as well as the remaining portion of Rocky Point Lane or Spring Meadow Lane whichever leads to their homes and/or home sites.

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6. All other lots located south or east of the automatic gate are also served by San Miguel into the County road system but they have an obligation to maintain the portion of San Miguel that is adjacent to the automatic gate as provided in Article X as well as any streets that lead to their homes and/or home sites.

All lots must maintain their private driveways in accordance with Article IX, Section B, subsection 5.

For purposes of this Article IX, Lots 6 and 22 of Block 78 and Lots 8, 9, 10, 11, 12, 13, 14, and 15 of Tract 1549 shall provide for street maintenance as the owners of those lots may agree and, if they do not agree, then their rights and obligations shall be governed by the principles and formulae set forth in Civil Code section 845, as such may be changed or amended in the future and interpreted by court decisions. Other provisions of this Article IX do not apply to these fifteen (15) lots, except for this Section A, subsections 3, 4, 5 and 6 of Section B, and Section W of Article IV, which do apply to these lots.

For information purposes, Civil Code section 845, as of the date of recordation of this Declaration, reads in pertinent part as follows:

"(a) The owner of any easement in the nature of a private right-of-way, or of any land to which any such easement is attached, shall maintain it in repair.

(b) If the easement is owned by more than one person, or is attached to parcels of land under different owner-

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ship, the cost of maintaining it in repair shall be shared by each owner of the easement or the owners of the parcels of land, as the case may be, pursuant to the terms of any agreement entered into by the parties for that purpose. If any owner who is a party to the agreement refuses to perform or fails after demand in writing to pay the owner's proportion of the cost, an action for specific performance or contribution may be brought against that owner in a court of competent jurisdiction by the other owners, either jointly or severally.

(c) In the absence of any agreement, the cost shall be shared proportionately to the use made by the easement of each owner.

Any owner of the easement, or any owner of land to which the easement is attached, may apply to any court where the right-of-way is located and that has jurisdiction over the amount in controversy for the appointment of an impartial arbitrator to apportion the cost. The application may be made before, during, or after performance of the maintenance work. If the arbitration award is not accepted by all of the owners, the court may enter a judgment determining the proportionate liability of each owner. The judgment may be enforced as a money judgment by any party against any other party to the action."

The explicit intention of this Declaration is that each lot or group of lots in the entire subdivision shall be liable for the maintenance of the streets that serve such lot or lots, in accord with the principles of Civil Code section 845, so that any given lot is not unfairly required to contribute to the maintenance of streets that do not serve that lot. A lot is served by that street that affords the most direct access from the private driveway leading from that lot's residence or building site to San Miguel Road or Old Morro Road.

B. STREET MAINTENANCE ASSESSMENTS. Each lot owner, for himself and his successors in interest, agrees:

1. Yearly Assessment. Each lot owner subject to street maintenance assessments will pay to the Board an assessment, to be established yearly by the Board, to maintain the streets serving

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the properties subject to assessment. ("Street" is defined for all purposes, in Article I, subparagraph 5 of this Declaration.) The Board, before September 1 of each year, shall notify each lot owner of such assessment to be paid by October 1.

The purpose of this yearly assessment is to create a fund allowing the Board to pay for such maintenance. Each lot owner's payments shall, by appropriate accounting procedures, be separately identified.

The Board shall allocate a percentage of the assessments collected to a contingency reserve to be used for all such maintenance for the twelve (12) months of their tenure and shall allocate the remainder of the fees collected to the capital reserve for projected maintenance in the future.

Street maintenance assessments and disbursements shall be governed by the principles of equality and fairness, with due regard given to the actual use of any street by any given lot or group of lots. Street maintenance assessments and disbursements shall be governed by the principles and formulas set forth in Civil Code section 845, as such may be changed or amended in the future and interpreted by court decisions.

Each assessment, together with any late charge, interest, collection costs, and reasonable attorneys' fees to enforce collection, shall be the personal obligation of the owner at the time such assessment becomes due and payable. If there is more than one owner of a particular lot, each owner shall be jointly and severally liable. The personal obligation for any delinquent assessments and related sums shall not pass to an owner's successor in interest unless expressly assumed by that successor in interest. Nor shall any unpaid assessment and/or related sums become a lien

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on the lot owner interest as provided for in Civil Code Section 1367. The Board is specifically prohibited from creating such liens.

2. Method of Levying Street Maintenance Assessments.

Such yearly assessment levied by the Board for street maintenance shall be based on the principle of proportionate use and will, necessarily, be unequal as between the properties assessed.

In levying such assessments, the Board shall always be guided by the principles of fairness; however, no distinction shall be made as to whether a given lot is improved or unimproved.

The Board shall always allow any given lot owner to maintain any street, or any portion or segment of any street that, in actual use, serves only that particular lot owner.

Any two or more lot owners may, and shall be allowed to by the Board, make their own agreement to maintain any street or any portion or segment of any street that serves only lots owned by the parties to any such agreement. The Board shall make proper allowance and credit in levying such yearly assessment to street maintenance performed and paid for voluntarily by any owner or groups of owners.

3. Board Authority if Streets Not Maintained. If any street is not reasonably maintained to the standards set forth in subsection 5 of this Article IX, the Board reserves the right to have such street maintained in the manner set forth below.

4. Performance of Street Maintenance. The Board may employ consultants and/or contract with private licensed contractors to perform necessary work. If the funds secured by the annual street maintenance assessment from the lots subject to such assessment prove to be insufficient for proper street maintenance

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or if the fifteen (15) lots named in Section A of this Article IX do not maintain their streets to the standard set forth in Section 5 of this Article IX, the Board is authorized to levy an emergency assessment, to be paid by each affected lot owner in accordance with the principles set forth in Civil Code section 845, as such may be changed or amended in the future and interpreted by court decisions.

5. Standard of Maintenance. All streets shall be maintained in a good, passable condition under all traffic and weather conditions.

Maintenance standards shall be as follows:

(a) All streets or portion thereof shared by more than one (1) lot shall be maintained as asphalt concrete streets except Rocky Point Lane.

(b) All other streets, including Rocky Point Lane, shall be maintained as chipseal streets.

(c) All private driveways leading from a residence or building site to the nearest street shall be maintained as either asphalt or chipseal streets, as desired by the lot owner.

(d) At all times the current interpretation regarding street maintenance standards applied by the County of San Luis Obispo, or any other appropriate public authority having jurisdiction of the property, shall govern as to the quantity and quality of materials used for maintenance and repair.

6. Damage Caused by Lot Owners. Every owner of property who shall use or cause or allow in any manner said streets to be used, traversed, or altered by anyone, including guests and

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ARTICLE XI
PRIVACY AND SECURITY

A. AS TO ALL PROPERTY DESCRIBED IN EXHIBIT "A". For reasons of privacy and security, the Board is empowered, if allowed to do so by the appropriate public authority, to take reasonable measures that, in its judgment, will insure privacy, safety and security of all or any part of the property described in Exhibit "A."

Although, persons not owning any lot described in Exhibit "A" may (for instance on the basis that San Miguel and Palo Verde Roads are established by the original maps of the Atascadero Colony) maintain or claim the right to traverse those streets, the Board or any lot owner shall have the right to attempt to prevent persons other than lot owners, their guests and invitees from using such streets or, if such use is nonetheless established as a matter of law and right, then to reasonably restrict and screen such use and limit the same to only those streets which are the subject of any such established rights.

B. AS TO INDIVIDUAL LOTS. No street, easement or private driveway shall be traversed in any manner by anyone, including other lot owners, except the owner of the lot or group of lots served by such street, easement or private driveway and their guests and invitees. "Served" is defined as the street or private driveway affording the most direct access to San Miguel Road and Old Morro Road. However, in addition to their other street maintenance obligations required by this Article XI, Paragraph A, Lots 4 and 5 of Tract 1549 may use either Frog Pond Place or Robert Emmett Way to access San Miguel Road provided, however, Lot 4 must maintain Smiley Place from the driveway leading to the residence or building site on Lot 3 of Tract 1549 to the common boundary of Lots

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4 and 5, and Lot 5 must maintain Smiley Place from the common boundary of Lots 4 and 5 to its intersection with Listowel Lane.

Nothing in this paragraph, nor any provisions of these restrictions shall prevent any lot owner, in times of emergency, or because of road blockage, road repair, or any similar reason, from reasonably using any part of the street and/or easement and/or private driveway system as set forth on the recorded maps.

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Without diminishing the right of privacy afforded to individual lots, the 'loop' consisting of Frog Pond Place, Smiley Place, and Robert Emmett Way, for safety reasons and/or emergency vehicle access, shall be kept free and clear of obstructions of any type, including gates.

ARTICLE XII

SCOPE AND DURATION

This Declaration shall run with the land, and shall continue in full force and effect for a period of fifty (50) years from the date on which this Declaration is recorded. After that time, this Declaration and all its covenants and other provisions shall be automatically extended for successive ten (10) year periods unless this Declaration is revoked by an instrument executed by owners and their respective institutional first mortgagees of not less than three-fourths (3/4ths) of the lots in the development, and recorded in the office of the County Recorder of the County of San Luis Obispo within one (1) year prior to the end of the fifty (50) year period or any succeeding ten (10) year period.

ARTICLE XIII

AMENDMENT OF DECLARATION

A. AMENDMENT. This Declaration be amended or revoked in any respect by the vote or written consent of not less than

seventy-five percent (75%) of the lot owners. If the consent or approval of any governmental authority, mortgagee or other person, firm, agency, or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation shall be evidenced by an instrument executed by the SUMMIT HILLS ARCHITECTURAL, PLANNING & STREET MAINTENANCE ASSOCIATION, a California nonprofit mutual benefit corporation, and shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the office of the County Recorder of the County of San Luis Obispo.

H. COUNTY APPROVAL REQUIRED FOR CERTAIN AMENDMENTS.

Notwithstanding any other provision 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 Director of Planning and Building of the County of San Luis Obispo, California: (a) Article I, paragraph 4; (b) Article IV, paragraphs A, B, I Q and V; (c) Article VII; (d) Article IX; and (e) dissolution of the Homeowner's Association.

C. RELIANCE ON AMENDMENTS. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

ARTICLE XIV

**INTERPRETATION OF TERMS AND RESTRICTIONS;
RIGHT TO APPEAL BOARD ASSESSMENTS AND RULINGS**

All questions of interpretation or construction of any of the terms or restrictions herein shall be resolved by the Board and its decision shall be final, binding and conclusive upon all the

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parties affected. Any lot owner who feels aggrieved by any Board decision or assessment shall have the right, within 30 days after such decision is communicated in writing to that lot owner by the Board to the following appeal process:

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The appellant lot owner shall prepare a one (1) page summary of his position; the Board shall prepare a one (1) page summary of its position; a ballot shall be prepared by the Board with input from the lot owner; the Board shall send out the ballots and the summaries to all lot owners at the appellant lot owner's expense; after the mailing, the ballots shall be returned within fourteen (14) days to the Board; both the Board and the appellant lot owner will be present when the ballots are counted. If a lot owner fails to vote, his vote shall be counted as an affirmation of the Board's original decision. Any appeal that is affirmed by a majority vote of the lot owners, shall not set a precedent wherefore it may be construed as a modification to this Declaration.

The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision of the Declaration shall not constitute a waiver of the right to enforce the provision thereafter.

ARTICLE XV

BREACH

- A. GENERAL REMEDIES UPON BREACH. The agreements and

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covenants hereby established shall operate as agreements and covenants running with the land; and further the Board and/or the owner of any of the property in the event of a breach of any of these restrictions or covenants, or a continuance of any such breach, may by appropriate proceedings take steps to enjoin, abate or remedy the same. It is hereby agreed that damages are not an adequate remedy for such breach.

B. RIGHT TO TREAT AS NUISANCE. Every act or omission whereby any of the covenants contained in this Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable and may be exercised by the Board, and/or the owner of any of the property.

C. REMEDIES CUMULATIVE. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

ARTICLE XVI

PROTECTION FOR MORTGAGERS AND TITLE INSURANCE COMPANIES

The owner of any encumbrance for value on any lot or building site and any corporation insuring the lien of such encumbrance may conclusively presume that no breach exists under these restrictions, provided such encumbrance is recorded in the office of the County Recorder of San Luis Obispo County prior to the commencement of any action to establish any such breach and/or before the recording of any notice of noncompliance, anything contained herein to the contrary notwithstanding.

For the purpose of making a search upon, or guaranteeing or

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insuring title to, or any mortgagor's lien on or interest in, any lot or parcel of said property, and for the purpose of protecting purchasers and encumbrancers for value and in good faith as against the performance or non-performance of any of the acts in this Declaration authorized, permitted or to be approved by the Board, the records of the Board shall be prima facie evidence as to all matters shown by such records; and the issuance of a certificate of acceptance by the Board showing that the plans and specifications for the improvements or other matters herein provided for or authorized have been approved, and that these improvements have been made in accordance therewith, shall be prima facie evidence and shall fully justify and protect any title company or persons certifying, guaranteeing or insuring said title, or any lien thereon or any interest therein, and they shall be entitled to rely thereon. The certificate of acceptance may also be relied on and shall also fully protect any purchaser or encumbrancer in good faith and for value.

A breach of the covenants contained in this Declaration shall not affect or impair the lien or charge of any bona fide mortgage or deed of trust made in good faith and for value on any building site; provided, however, that any subsequent owner of such property shall be bound by these covenants, whether such owners' title was acquired by foreclosure or in a trustee's sale or otherwise. A lender who acquired title by foreclosure or deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the covenants which occurred prior to such acquisition of title but shall be bound by these covenants.

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ARTICLE XVII

ANNEIZATION OF ADDITIONAL PROPERTY

If at any time the owner of real property contiguous to and/or adjacent, and/or within reasonable distance of the property shall agree to hold, sell and convey his property subject to restrictions, covenants or reservations set forth in this Declaration and an agreement is executed by that owner and approved in writing by a majority of the lot owners. After such approval, this same agreement shall be recorded in the office of the County Recorder of San Luis Obispo County. The Board, or the association shall then and thereafter have the power to do and perform any and all of the acts allowed by such agreement, and to include that owner's property in any association to enforce this Declaration against the included property -- including the power to impose and collect assessments and dues from that owner and his assigns, and successors in interest, and to grant the owner and his assigns and successors in interest membership in any such association subject only to any conditions set forth in that owner's recorded agreement.

ARTICLE XVIII

RIGHT TO ENFORCE

The provisions contained in this Declaration shall inure to the benefit of and be enforceable by the Board, and the owner of any lot or any association of the owners, and each of their legal representatives, heirs, successors or assigns. The failure to enforce any of such covenants or restrictions herein contained shall in no event be deemed to be a waiver of the right to do so thereafter. In any legal proceeding commenced by anyone entitled to enforce or restrain a violation of this Declaration, or any

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provision thereof, the losing party or parties shall pay the attorneys' fees and costs of the prevailing party or parties in such amount as may be fixed by the Court in such proceedings.

ARTICLE XIX

SEVERABILITY OF PROVISIONS

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions shall not invalidate any other provisions.

ARTICLE XX

GENERAL PROVISIONS

A. HEADINGS. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

B. CUMULATIVE REMEDIES. Each remedy provided for in this Declaration shall be cumulative and not exclusive. Failure to exercise any remedy provided for in this Declaration shall not, under any circumstances, be construed as a waiver of the remedy.

C. VIOLATIONS AS NUISANCE. Every act or omission in violation of the provisions of this Declaration shall constitute a nuisance and, in addition to all other remedies set forth, may be abated or enjoined by any owner, or the Board.

D. NUMBER; GENDER. The singular shall include the plural and the plural the singular unless the context requires the contrary; and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.

E. INCORPORATION OF EXHIBITS. All exhibits referred to are attached to this Declaration and incorporated by reference.

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F. BINDING EFFECT. This Declaration shall inure to the benefit of and be binding on the successors and assigns of each lot owner and his heirs, personal representatives, grantees, tenants, successors, and assigns.

This Declaration is executed at San Luis Obispo County, California, on the date hereinabove first mentioned, by the SUMMIT HILLS ARCHITECTURAL, PLANNING & STREET MAINTENANCE ASSOCIATION, a California nonprofit mutual benefit corporation, to acknowledge and establish the terms and conditions set forth in this Declaration.

SUMMIT HILLS ARCHITECTURAL, PLANNING & STREET
MAINTENANCE ASSOCIATION, a California nonprofit
mutual benefit corporation

By Frank St. Denis
FRANK ST. DENIS, President

By David Crockett
DAVID CROCKETT, Secretary

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN LUIS OBISPO)

On 10/5, 1998, before me, Charles G. Kirschner personally appeared FRANK ST. DENIS, 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 and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Charles G. Kirschner

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN LUIS OBISPO)

On 10/6, 1998, before me, Charles G. Kirschner personally appeared DAVID CROCKETT, 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 and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Charles G. Kirschner

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EXHIBIT "A"
to
SUMMIT HILLS
DECLARATION & ESTABLISHMENT OF
PROTECTIVE COVENANTS & RESTRICTIONS
AND
ESTABLISHMENT OF ARCHITECTURAL,
PLANNING & STREET MAINTENANCE BOARD;
ESTABLISHMENT OF RULES & REGULATIONS
FOR SUCH BOARD
AND
GRANTS OF AND RESERVATIONS OF EASEMENTS

PART 1:

Parcels 1 and 2 of Parcel Map No. CO 79-001, in the County of San Luis Obispo, State of California, recorded March 15, 1982 in Book 31, Page 83 of Parcel Maps, in the office of the County Recorder of said County.

PART 2:

Lots 6 and 12 of Block 78 in Book 3, Page 113 of Maps.

PART 3:

Lot 22 of Block 78 in Book 3, Page 113A of Maps.

PART 4:

Lots 27, 28, 29, 30 and 31 of Block 79 in Book 3, Page 114 of Maps.

PART 5:

Lots 3, 4, 6 and 7 of Parcel Map CO 83-191, in the County of San Luis Obispo, State of California, as shown on map recorded February 28, 1986 in Book 39, Page 4 of Parcel Maps in the office of the County Recorder of said County.

PART 6:

Lots 1 through 18 of Tract 1549 in the County of San Luis Obispo, State of California, as shown on map recorded 7-20-88, 1988 in Book 14, Page 72 of Maps in the office of the County Recorder of said County.

PART 7:

Parcels 1 and 2 of Parcel Map COAL 87-165, in the County of San Luis Obispo, State of California as shown on map recorded in Book 42, Page 45 of Parcel Maps in the office of the County Recorder of said County.

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PART 8:

Parcels 13 and 14 of Parcel Map COAL 87-178, in the County of San Luis Obispo, State of California as shown on map recorded in Book 43, Page 28 of Parcel Maps in the office of the County Recorder of said County.

PART 9:

Parcels 1 and 2 of Parcel Map COAL 87-177, in the County of San Luis Obispo, State of California as shown on map recorded in Book 43, Page 27 of Parcel Maps in the office of the County Recorder of said County.

Above Parts 1 through 9 are situate in Atascadero Colony, San Luis Obispo County, California, according to map recorded October 21, 1914 in Book 3, Pages 113 through 114 of Maps.

Various individual lots and/or parcels are entitled to, or are subject to, road and/or utility easements over other lots. In respect to such easements, reference is made to deeds and other instruments recorded, or as may be recorded in the future, in this County.

In accord with recorded documents there is excepted from all lots/parcels mineral rights below 500 feet.

LEGEND

BUILDING ENVELOPES
(TRACT 1849)
ADJACENT BUILDINGS
ATB - 10 01-191

REFERENCES

348 119 (ATTACHED COUNTY)
39 14 4 (10 44-01)
31 14 06 (10 75-01)
42 14 06 (10 75-01)
43 14 07 (10 75-01)
44 14 08 (10 75-01)

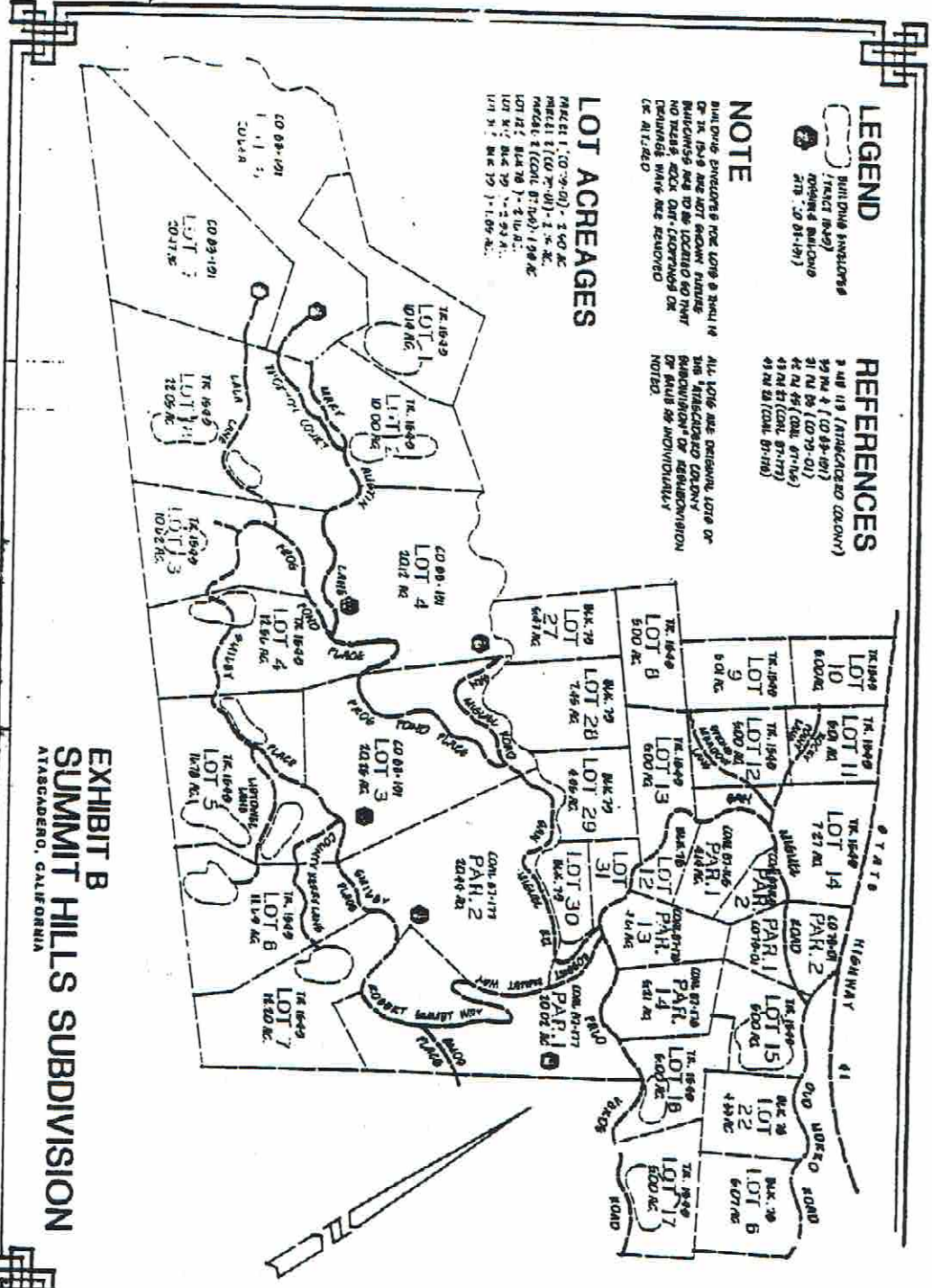
NOTE

BUILDING ENVELOPES FOR LOT 8 & 9 ARE
OR IN 1948 ARE NOT BEING FUTURE
BUILDINGS ARE TO BE LOCATED SO THAT
NO 1948, EXCH. DAY, (ADJACENT OR
ADJACENT WARE ARE REMOVED
OR ALIENED

LOT ACREAGES

TRACT 1, (10 75-01) - 3.40 AC.
TRACT 2, (10 75-01) - 1.40 AC.
TRACT 3, (10 75-01) - 1.90 AC.
TRACT 4, (10 75-01) - 1.90 AC.
TRACT 5, (10 75-01) - 1.90 AC.
TRACT 6, (10 75-01) - 1.90 AC.
TRACT 7, (10 75-01) - 1.90 AC.
TRACT 8, (10 75-01) - 1.90 AC.

EXHIBIT B SUMMIT HILLS SUBDIVISION ATASCADERO, CALIFORNIA



END OF DOCUMENT

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