

DRAFT #9.1 July 12, 2010¹

CC&Rs for Tracts 306, 307 and 310

Introduction

Cabrillo Estates is a single family residential community located in San Luis Obispo County off Pecho Valley Road between the town of Los Osos and Montana de Oro California State Park. It is composed of four development tracts as recorded in the County of San Luis Obispo. These tracts are numbered 306, 307, 310, and 1342.

The owners of lots (developed or undeveloped) in Cabrillo Estates are all members of Cabrillo Estates Property Owners Association (CEPOA), a nonprofit mutual benefit association. CEPOA functions for the mutual good of all Cabrillo Estates residents. Its purposes include the promotion and enhancement of the value and desirability of property, the representation to government on community infrastructure interests and concerns, and the monitoring and application of appropriate actions on matters related to the general wellbeing of Cabrillo Estates. CEPOA maintains the landscaping on the Rodman Drive Cabrillo Estates entrance and pays for the utility usage. Additionally, CEPOA sponsors community social functions.

In total, Cabrillo Estates contains 256 residential lots, of which 40 are in Tract 1342. The remaining 216 are in Tract Numbers 306, 307, and 310. Tracts 306, 307 and 310 were all recorded in the mid sixties to seventies and 1342 was not

¹ This draft provided to CEPOA by Bob van't Riet, committee chair

recorded until 1989. Straightforward and very similar “Declaration of Restrictions” were recorded for tracts 306, 307 and 310. Tract 1342 was recorded with “Declaration of Covenants, Conditions and Restrictions” which are far more complete, encompassing and address many native habitat issues. In this document, these instruments will be loosely referred to as CC&Rs - Covenants, Condition and Restrictions. For tracts 306, 307 and 310, the CC&Rs were written with a twenty-five year expiration horizon and have expired. The 1342 CC&Rs were written in 1989 with a fifty-nine year horizon. The CC&R for 1342 will not expire until 2048 and can be renewed.

It is the purpose of this document to present to the 306, 307 and 310 lot owners a revised and updated version of the CC&Rs for adoption while retaining the status quo for 1342.

Description and Evolution of Tracts 306, 307 and 310

Tracts 306, 307 and 310 combined contain 216 residential lots with 215 home sites. The San Luis Obispo County residential streets within this development include: Alamo Drive, Bowie Drive, Crockett Circle, Houston Drive, Madera, Rodman Drive, San Jacinto Drive, Travis Drive and Vallejo Road. Austin Court, a short private road, is also within the development.

These tracks were developed on inclined northwest facing terrain with a height gain of approximately 460 feet. This inclined terrain and substantial height offered the developer a wonderful opportunity - stunning coastal views. This opportunity was captured by the arrangement of the roadways and residential lots and the placement of utility services underground. Additionally, during initial grading all

the vegetation and native habitat was removed resulting in totally unobstructed views.

In the early sixties Earl G. Rodman developed the property identified as Tract 306. This development contained 136 residential lots and the County streets Alamo Drive, Crockett Circle, Houston Drive, Rodman Drive, and Travis Drive. It did not create Austin Court and also left the four lots on its cul-de-sac land locked.

The Tract 306 tract map was filed on 19th of May 1964 in San Luis Obispo County. CC&Rs, with a twenty-five year lifespan, were recorded on the same day.

The Tract 307 tract map was filed on the 24th of August, 1970 in San Luis Obispo County. CC&Rs were recorded on the same day. These CC&Rs appear to be an exact copy of those recorded for the 306 Tract in 1964.

In 1970 the County was considering extending South Bay Blvd. and an allowance was made in the 307 tract map for this possibility by establishing a right of way. Tract 307 added 34 residential lots on Rodman Drive below this right of way, defined Madera Street and established the Cabrillo Estates entry lots at Pecho Valley Road.

Additionally, Tract 307 added the County streets Bowie Drive, San Jacinto Drive and Vallejo and created an additional 45 residential lots, for a total of 80 residential lots for the Tract 307 development. However, the four lots on the Austin Court cul-de-sac were still land locked.

In 1971 three of the lots on Alamo Drive were combined into two build sites of one and a half lots each, making the home site count one less than the lot count.

The tract map for Tract 310 was filed on the 8th day of December, 1976. CC&Rs were recorded on the same day and again they appear to be a duplicate of the Tract 306 and 307 CC&Rs.

The CC&Rs for all three tracts had a 25 year lifespan. The CC&Rs for Tract 310, being the youngest, were the last to expire in 2001.

Tract 310 created Austin Court road but added no new lots. Austin Court, a private road, was created to provide access to the four lots on the cul-de-sac. The two lots, on Crockett Circle, on both sides of Austin Court were decreases in width to accommodate it.

On Travis the second through sixth lots off Rodman Drive on the uphill side were altered and three lots at the end of Alamo Drive were extended down to Rodman Drive. In both cases the adjustment provides greater lot depth.

The final residential lot count is 216; 136 in Tract 306, 80 in Tract 307 and zero in Tract 310. Because three lots on Alamo Drive are combined into two, there is one fewer home site than lots in Tract 306 in the total.

Process

The Tract 306, 307 and 310 CC&Rs were written nearly fifty years ago when Cabrillo Estates was an empty development with home site lots for sale. The developers were understandably concerned about the appropriateness of home construction. They wanted to protect their investment by assuring that Cabrillo Estates would evolve into a desirable community with high property values. By placing restrictions in the CC&Rs on setbacks, home size and other potentially

value limiting actions around issues of home construction, not only was their investment protected but we were also assured a pre-eminent community.

Since virtually all of the original CC &R's centered on issues for home construction, they are no longer relevant today as only about 5% of the lots in the original development (Tracts 306,307, and 310)are still vacant.

Additionally, fifty years ago the San Luis Obispo County Building codes were more lax and less complete than they are today and the Land Use Elements and Local Coastal Plan did not exist until after the California Coastal Commission was established in 1972. The stricter County codes etc. will apply to new construction on vacant lots today.

Today what is need are CC& R's that speak to an established community of homes where the objective is to preserve and enhance home values and preserve the natural beauty of the area rather than focusing on construction issues. Thus, the original CC&Rs for Tracts 306, 307, and 310 were reviewed and updated before they were presented to the property owners for adoption. The following process was applied to accomplish this objective:

1. Committee of four Cabrillo Estates residents was established by the CEPOA Board. This Committee consisted of Margaret Bertrand, Marie Ducasse, Robert van't Riet (Chair) and Jim Whitson.
2. A review was conducted of CC&R documents, including;
 - the original Tract 306, 307 and 310 "Declaration of Restrictions" text,
 - the Tract 1342 "Declaration of Covenants, Conditions and Restrictions" text; and,

- Monarch Grove Homeowners Association proposed set of Rules, Policies, and Disclosures.

This process results in forty-nine possible topics which could potentially be included in a new CC&Rs.

3. All forty-nine possible topics (revealed in the review of the documents in the above item) were placed in an Excel data base with reference to the source document.

4. The Committee conducted a review of the possible topics and reduced them down to those which are appropriate for Cabrillo Estates.

Factors included in the reduction process included:

- Will the topic promote the mutual good of Cabrillo Estates residents?
- Will the topic enhance the value and desirability of our property?
- Is the topic necessary in light of the current status of the San Luis Obispo County Building codes and Land Use Elements and Local Coastal Plan?
- Is the County of San Luis Obispo responsible for assuring compliance for this topic?
- If the topic is included can CEPOA effectively monitor it and take appropriate action?
- Is the topic more currently and effectively addressed in the CEPOA Bylaws?
- Has a topic in the original Tract 306, 307, and 310 CC&Rs been effective, beneficial and enforceable?

5. This process resulted in twenty-three topics being selected for inclusion in the updated CC&Rs for Tracts 306, 307 and 310. The next step was to develop the prose for these topics. Once more the original Tracts 306, 307 and 310 text, the Tract 1342 text and the Monarch Grove Homeowners Association proposed set of Rules, Policies, and Disclosures were referred to and guided this task.
6. Once this text was developed it was reviewed by an attorney to ensure it complies with all relevant federal laws, state laws, and county codes.

Proposed 306, 307 and 310 CC&Rs

In addition to the US Federal Law, California State Law and Civil Code and the San Luis Obispo County Code the following restrictions and rules shall apply to the use of the Residential and Common Areas with s, 306, 307 and 310.

1.0 CEPOA Association: CEPOA Association, a nonprofit association (with unpaid officers and committee members) which functions for the mutual benefit of all Cabrillo Estates residents (including 1342), will represent the interest of the community to government agencies. All lot owners, including Tract 1342, are members of CEPOA and are expected to pay the annual dues.

In elections a single lot owner is entitled to cast one vote and owners with multiple lots are entitled to cast one vote for each lot. Owners of one and a half lots, such is the case on Alamo Drive, would be allowed to cast one and a half votes.

2.0 Bylaws: CEPOA Bylaws will govern the process, procedures and actions of CEPOA. These Bylaws are amendable by a majority vote of the Cabrillo Estates Board members and ratified by a majority of Cabrillo Estates residents attending the annual meeting. All CEPOA officers must be Cabrillo Estates property owners; they are selected by Cabrillo Estates property owners and voted on at the Annual General Meeting, and function at the pleasure of the residents of Cabrillo Estates.

3.0 Architectural Advisory Committee: All new home construction and remodels which require a County permit shall be reviewed by the CEPOA Architectural Advisory Committee. This three member Committee shall function in accordance with the CEPOA Bylaws. They shall conduct their reviews to verify compliance with the County of San Luis Obispo Building Code, the Land Use and Local Coastal Plan and these CC&Rs. Additionally, the Architectural Advisory Committee will, 1) maintain the "Tree List" (found in the CEPOA Membership Directory), 2) make proposals on issues dealing with negative impacts on views caused by vegetation and/or large trees, and 3) review and approve installations external to a residence such as antennas.

4.0 Temporary Structures and/or Vehicles Used as Living Area: Temporary structures, including; outbuilding, sheds, huts and tents shall not be used as a living area. No boat, trailer, van, camper, recreational vehicle, or truck shall be used as a living area while located within these tracts.

4.1 Construction Trailer or Structure: A temporary trailer or structure is allowed during construction of the residents provided it is promptly removed upon completion of construction. It should not be used as a living area.

5.0 Animals: Checking County Codes

5.1 Commercial Breeding: No animals, birds, insects, rodents or reptiles shall be raised, bred or kept on any lot for commercial purpose.

5.2 Farm Animals: Keeping of goats, pigs, sheep, horses, cows (or other bovine or equine animals), poultry, foxes, peacocks, ostrich, enu, or wild animals of any kind within these tracks is prohibited.

5.3 Domestic Pets: Domestic pets are welcomed within the community provide that they do not interfere with the wellbeing of the neighborhood. To ensure neighborhood harmony the following applies;

5.3.1 Confined to Owners Lot: All animals shall be appropriately confined within their owners lot. Owner shall not allow any animal to wander within any other portion of the project unless the animal is under direct control by a person capable of controlling it. Owners are responsible for any damage or injury caused by an animal not maintained on their lot.

5.3.2 Pet Limits: Residents are limited to the number and kinds of pets as established by County of San Luis Obispo code.

5.3.3 Pet Waste Deposal: Pet owners are responsible for the prompt disposal of pet wastes deposited by their pets on lots (developed and vacant) and streets within these tracts.

5.3.4 Pet Noise: Pet noise is detrimental to neighborhood harmony and must be controlled by the pet owner. Dog barking, during the owner's absence, can be particularly annoying and is subject to County of San Luis Obispo code enforcement.

6.0 View Thoughtfulness: The outstanding views vistas within Cabrillo Estates are some of the best on the Central California Coast if not the entire world. They enhance property values and add to our quality of life. Maintaining and improving these stunning vistas though view thoughtfulness is beneficial to all Cabrillo Estates residents. View thoughtfulness entail that each lot owner;

6.1 Maintenance of Trees and Vegetation: When it becomes necessary, trim trees and vegetation in order to safeguard precious community vistas.

6.2 Tree Selection: Consult and apply the recommendations made in the "Tree List" (found in the CEPOA Membership Directory) when making a selection of a new or replacement tree to plant. This "Tree List" is managed by the CEPOA Architectural Advisory Committee and can be adjusted, with their approval, if a lot owner wishes to plant a tree not currently included.

6.3 Height Limitations: Shall be thoughtful and limited the height of their trees and vegetation to not negatively impact their neighbor's and the community vistas. The CEPOA Architectural Advisory Committee will review and make recommendations on issues dealing with tree height and negative impacts on views.

6.4 Vista Blocking Trees: Protecting our heritage of outstanding vista is a community objective. The planting species that will over time block community vistas considered un-thoughtful and is inappropriate. Trees growing higher than 15 feet, above the highest point of the owner's lot, would in many cases block vistas and are inappropriate Cabrillo Estates.

6.5 View Preservation: The "View Preservation" program is a thoughtful and highly successful, voluntary program to which the majority of lot owners in Cabrillo Estates embrace. In the only four years that it has been active it has had a significant advantageous effect on views and property values. CEPOA totally supports the "View Preservation" program and encourages all tract lot owners to consider its virtues. Only through thoughtful programs like view preservation can we first protect and enjoy our costal vistas and then pass on this same enjoyment to future Cabrillo Estates residents at elevated property values.

7.0 CEPOA Right of Entry: CEPOA representatives have the right to enter lot owner's property under the following limited conditions;

7.1 Emergency: Members of the CEPOA Emergency Response Teams (listed in the CEPOA Membership Directory) under natural disaster or emergency conditions may enter to check on the residents occupants, assist in evacuation, and check for broken utility lines and turn off those utilities (if the occupants are not present to turn them off or can't turn them off).

7.2 CC&R Violations: After the owner has received a 30 day written notice, CEPOA Officers may enter an owner's lot and, if necessary, the residence to inspect for potential CC&R violations. The inspection will be scheduled on a date and time which is agreed upon by both parties and with the owner present. If a violation is found, and the owner fails to take the necessary steps to rectify it within 30 days, CEPOA can take legal action.

8.0 Maintenance and Assessments, Annual Association Assessment, Use & Adjustments, D&R 1342 Article IV 4.1-4.9, Marie Ducasse

Marie would like this to be discussed at general meeting of committee

9.0 No commercial activity: Homes, within these tracts, are solely for residential use, designed for single family purposes. None of these residences or parts of these residences shall be used for any business,

professional or commercial activity of any kind, except for the following:

9.1 Criteria: Any type of home occupation is allowed provided that the proposed occupation meets the following criteria:

- a) Any such occupation shall be conducted within not more than one (1) room of the residence, excluding garages, except for artist studios;
- b) There shall be no structural alterations of the residence, and the existence of said occupation shall not be apparent beyond the boundaries of the premises;
- c) Said occupation shall be strictly secondary and subordinate to the primary residential use and shall not change or detrimentally affect the residential character of the dwelling, property, or neighborhood;
- d) There shall be no more than two (2) customers, patients, clients, students or other persons served by said occupation upon the premises at any one time.
- e) The Board has given its prior written approval to conduct same.
- f) If required, the county of San Luis Obispo has issued a business license for said occupation.

9.2 Garage Sales: Garage Sales or other sales may be held but not more often than two (2) times per year.

9.3 Health Care Facility: Health Care Facility is not permitted, whether operating as a business or a charity.

10.0 Leasing: An owner is permitted to lease or rent his or her residence on their lot. However, any lease or rental agreement shall be in writing, shall be for an initial term of at least one (1) year and shall include the provision that tenants shall abide by and be subject to all of the terms and provisions of these CC&Rs, By Laws and policies of the Cabrillo Estates Property Owners Association and failure to do so shall be a default under the lease or rental agreement. All owners leasing or renting a residence on their lots shall promptly notify the secretary of the Association in writing of the names of all tenants and members of tenant's family occupying such residence and of the address and telephone number where the owner can be reached.

10.1 Short Term Vacation Rentals: Short term vacation rentals of residences (less than one year) are specifically disallowed.

11.0 Vehicle Parking: No vehicle shall be parked or left in these tracks other than within; 1) an enclosed garage, 2) an adjoining driveway or 3) on a designated guest parking space. At no time shall a motor vehicle of any kind be parked on front yard landscaping.

12.0 Signs: Signs advertising lots for sale or residences for sale or rent may be displayed, one on each lot provided that such signs are of reasonable and customary size. Signs designating the architect, general contractor or

and/or construction lender may also be placed on a lot with a dwelling being constructed. The CEPOA committee/board may develop non-judgmental rules administrating the display of political and or any signs at the discretion of the Board

13.0 Garbage and Refuse Disposal : Cabrillo Estates is a beautiful community with outstanding walks that many of its residents enjoy every day. Uncollected garbage and trash cans in plain sight detracts from our community's beauty and lowers property values. County codes 8.12.210, 8.12.220 and 8.12.250 address rubbish, trash and garbage and sets the minimum standard that is are acceptable in Cabrillo Estates. Let's all work together to keep Cabrillo Estates an outstanding and valuable community by removing our garbage and keeping our trash cans out of sight.

14.0 Antennas: Most antennas are unsightly and should be contained within the lot owner's structure or away from public view. Low frequency large and tall armature radio antennas can be very unsightly and require special consecration including discussions with neighbors and upslope view holders before installation.

Currently, television providers use ether cable or a disk mounted on the residents to provide service. Advances in technology including broadband, will over the next few years, impact these providers resulting in the need for new installations. Currently, it is impossible to speculate on nature of these potential installations and therefore, the CEPOA

Architectural Advisory Committee will review them and make recommendations on their sightlines.

15.0 **Gas or liquid Storage:** Storage of substantial quantities of combustible, caustic chemicals or hazardous liquid could result in a risk to Cabrillo Estates residents and is disallowed. However, fuel for gardening equipment and hazardous liquid for landscaping treatment is allowed as is fuel for standby generators and recreation use. All hazardous liquid and fuel must be stored in proper and approved

16 General Legal Provisions.

16.1 **Owners' Compliance:** each owner, tenant or occupant of a lot shall comply with the provisions of this declaration, and the decisions and resolutions of the Association or Board, or the Architectural Control committee, as lawfully amended from time to time. Failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action (1) to recover sums due, (2) for damages, (3) for injunctive relief, (4) for costs and attorneys fees, or (5) any combination of the foregoing.

All agreements and determinations lawfully made by the Association in accordance with the voting percentage established in this Declaration shall be deemed to be binding on all lot owners, their successors, and assigns.

16.2 **Owner's Right and Obligation to Maintain and Repair.** Each lot owner shall, at his sole cost and expense, maintain and repair his lot and all improvements and landscaping thereon, keeping the same in good condition. Maintenance shall include such weed control and other fire prevention measures as may be required by the County of San Luis Obispo or other governmental agency or by the Association under its fuel management program as described in ??

In the event an owner of any lot fails to maintain his lot and the improvements thereon as required herein, the Association's agents may, after notice and a hearing as provided herein, enter the lot and perform the necessary maintenance. The cost of such maintenance shall immediately be paid to the Association by the owner of such lot, together with interest at the rate of twelve percent (12%) per annum (but not to exceed the maximum interest rate authorized by law) from the date the cost was insured by the Association until the date the cost is paid by the owner.

16.3 Enforcement: The Association, or any owner, or at the request of the Association or any owner, or any public entity, shall have the right to enforce, by any proceeding at law or in equity, or by permitting processes, all restrictions, conditions, covenants, reservations, and charges now or hereafter imposed by the provisions of this Declaration, and in any such court action shall be entitled to recover reasonable attorneys' fees as are ordered by Court. In the event of failure by the Association to reasonably maintain the Landscape Area, the County of San Luis Obispo, after reasonable notice to the Association, may perform such maintenance at the expense of the Association. Failure by the Association, or by any owner, or by any public entity where permitted, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

16.4 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.

16.5 Term: The covenants and restrictions of this Declaration shall run with and bind the property, and shall inure to the benefit of and shall be enforceable by the Association or the owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty nine(59) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an' instrument in writing, signed by a majority of the then owners of the lots, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions in whole or in part, or to terminate the same.

16.6 Amendments: These CC & Rs may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority the total voting power of the Association. Any amendment must be certified in writing, executed and acknowledged by the President or Vice President of the Association and recorded in the Recorder's Office of the County of San Luis Obispo. No amendment shall adversely affect the rights of the holder of any mortgage of record prior to the recordation of such amendment. Any amendment shall be subject to the provisions of Section 19.18 of the CC & Rs

16.7 Consent to Action:

Except as provided by statute or by other provision of the project documents in case of substantial destruction or condemnation of the project:

A. The consent of owners of lots to which at least sixty-six percent (66%) of the votes in the Association are allocated and the approval of

eligible mortgage holders holding mortgages on lots which have at least sixty-six percent (66%) of the votes of lots subject to eligible holder mortgages, shall be required to terminate the legal status of the project as a planned unit development project;

B. The consent of owners of lots to which at least sixty-six percent (66%) of the votes in the Association are allocated and the approval of eligible mortgage holders holding mortgages on lots which have at least fifty-one (51%) of the votes of the lots subject to eligible holder mortgages, shall be required to add or amend any material provisions of the project documents which establish, provide for, govern or regulate any of the following: (i) voting; (ii) assessments; (iii) insurance or fidelity bond; (iv) expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project ; (v) boundaries of any lot; (vi) leasing of lots; (viii) imposition of any right of first refusal or similar restriction on the right of a lot owner to sell, transfer, or otherwise convey his or her lot; (ix) any provisions which are for the express benefit of mortgage holders, eligible mortgage holders, or eligible insureds or guarantors of first mortgages on lots;

C. An addition or amendment to such document shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request

16-8 Restoration or Repair: Any restoration or repair of the project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by eligible mortgage holders holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages.

16-9 Termination. Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the project just requires the approval of eligible mortgage holders holding mortgages on lots which have at least sixty-six percent (66%) of the votes of lots subject to eligible holder mortgages.

16.10 Damage or Destruction: If the landscape maintenance area is damaged or destroyed by fire or other casualty, the improvement shall be repaired or reconstructed substantially in accordance with the original landscape plans and specifications.

If the improvement is not repaired or reconstructed in accordance with the foregoing, any insurance proceeds available for the repair or reconstruction of the improvement shall be disbursed among all owners and their respective mortgagees in the same proportion that the owners are assessed, subject to the rights of the owners' mortgagees.

16.11 Damage and Destruction Affecting Lots - Duty to Rebuild. If all or any portion of any improvement on any lot is damaged or destroyed by fire or other casualty it shall be the duty of the owner of the lot to rebuild, repair or reconstruct the improvement in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty, subject to such alterations as may be approved by the Architectural Control Committee. The owner of any damaged improvement on any lot shall commence *reconstruction within three (3) months after the damage occurs and complete reconstruction within six (6) months after the damage occurs, unless prevented by causes beyond his reasonable control.

16.12 Condemnation. If all or any part of a lot is taken by eminent domain, the award shall be disbursed to the owner of the lot, subject to the rights of the owner's mortgagees. If the taking renders the lot uninhabitable, the owner shall be divested of any further interest in the project, including membership in the Association, and the interests of the remaining owners shall be adjusted accordingly.

16.13 Notices: Any notice permitted or required may be delivered 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, first class, certified or registered, postage prepaid, addressed to the person to be notified at the current address given by such person to the Secretary of the Board or addressed to the unit of such person if no address has been given to the Secretary.

16.14 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, sex, adulthood, marital status, sexual orientation, color, religion, ancestry, handicap, or national origin.

16.15 County Approval of 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) regulation of land use; (b) implementation of interior and exterior water conservation measures; (c) vegetation preservation measures including the designation of building site locations; (d)

prohibition against the removal of pygmy oaks or morro manzanita outside the designated building site locations; and (e) dissolution of the "Cabrillo Estates 306, 307, and 310 C C & Rs."

17.0 D&R are binding upon foreclosure, sale or otherwise, D&R 307

Item # 18-19, Marie Ducasse

I feel this item should be left out as we have no way to enforce it and would be very expensive to try. Marie

18.0 Legal Remedies for Owner Note: this used to be called Right to Prosecute by Owners; I felt this softened it a bit. Note this came from 16 & 17, not 15.

18-1. The failure of any Owner to comply with any provisions of the Declaration, shall give rise to a case of action in the Association or any aggrieved Owner for the recovery of damages or for injunctive relief.

None the less, the objective of the Declaration is to promote and seek voluntary compliance by Owners and tenants with the standards and property use restrictions contained here in the C C & Rs. Thus, in the event that the Association becomes aware of infractions, that does not necessitate immediate corrective legal action. The Owner or tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent provision(s). Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time specified in the notice.

Should that not result in the condition being corrected, both the Association and/or aggrieved Owners have the right to prosecute legal action against the person in violation of the CC & Rs. Upon any violation or attempt to violate any of the restrictions , conditions, covenants or reservations herein contained or breach or attempt to breach said restrictions, conditions, covenants or reservations, it shall be lawful for the owners, their successors or assigns or any person or persons owning property within said to prosecute any proceedings at law or in equity against any person or persons violating or attempting to violate, or breaching or attempting to breach any of the restrictions, conditions, covenants or reservations herein contained, and either prevent him or them from so doing or to recover damages for any such violation or breach. The foregoing remedies shall be deemed to be cumulative and not exclusive. Please see the Internal Dispute resolution Process in

section 23 and the Internal Dispute Resolution Process discussed in section 24 for guidance in steps which must be taken prior to court filings and others that may be taken.

18-2. If the parties hereto, or any of them, or their heirs or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning any real property situated in said or subdivision to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenant, and either to prevent him or them from so doing or to recover damages or other dues for such violations. *Note to Bob: I am not sure this is needed as frankly I can't see how it differs from 17-1 but I may be missing something. ????* Margaret

I believe that law changes have been the reason MG has included these next two sections 23 & 24 in their Procedures. I think they are helpful but they may seem very frightening to some residents. If we don't have to, I guess I would not include them. Margaret

19.0: Summary Of Alternative Dispute Resolution Requirements: Civil Code §§1369.510-1369.590

19-1 If an association, owner or member of an association files an action in Superior Court seeking either: (a) declaratory or injunctive relief to enforce the governing documents, the Davis-Stirling Common Interest Development Act, or the Corporations Code, or (b) declaratory or injunctive relief to enforce the governing documents, the Davis-Stirling Common Interest Development Act, or the Corporations Code in conjunction with a claim for \$5,000 or less (other than assessments), the parties must first attempt to submit the dispute to alternative dispute resolution (ADR), which includes mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process, BEFORE filing an action in Superior Court. The ADR process may be binding or non-binding.

19-2. This requirement does not apply to disputes within the jurisdiction of the Small Claims Court or disputes over assessments.

19-3. The ADR process is commenced by one party serving the other party with a Request For Resolution. It must contain the following:

- a. A brief description of the dispute;
- b. A request for ADR; and
- c. A notice that the party receiving the Request For Resolution must respond within thirty (30) days or the Request For Resolution will be deemed rejected.

d. If the person on whom the Request For Resolution is served is an owner, a copy of the statutes governing ADR. (Civil Code §§ 1369.510 - 1369.590.)

19-4. Service of the Request For Resolution may be by personal delivery, first-class mail, express mail, facsimile or other means reasonably calculated to give the other party actual notice.

19-5. A party served with a Request For Resolution has thirty (30) days to accept or reject the request. Failure to accept or reject is deemed a rejection.

19-6. If the Request For Resolution is accepted, ADR must be completed within ninety (90) days from the date of acceptance. The deadline can be extended by a written agreement among all parties.

19-7. The costs of ADR shall be shared by the parties.

19-8. The time to file a civil action is suspended while ADR is pending.

19-9. Refusal to participate in ADR may result in the loss of the right to recover attorney fees in a subsequent Superior Court action.

FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 1369.520 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.

20. Internal Dispute Resolution Process

20-1. Application of Internal Dispute Resolution Procedure.

A. This section applies to a dispute between the Association and a Member involving their rights, duties, or liabilities under the Common Interest Development Act (commencing with Civil Code § 1350), under the Nonprofit Mutual Benefit Corporation Law [Part 3 (commencing with section 7110) of Division 2 of Title 1 of the Corporations Code], or under the governing documents of this Association.

B. This section supplements, and does not replace, Article 2 (commencing with Civil Code § 1369.510) of Chapter 7, relating to alternative dispute resolution as a prerequisite to an enforcement action.

20-2 Internal Dispute Resolution Procedure. Either party to a dispute within the scope of paragraph 1., above, may invoke the following procedure:

- A. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- B. A Member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
- C. The Association's Board of Directors shall designate a Member of the Board of Directors to meet and confer.
- D. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- E. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the Association.

20-3. Binding: An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

- A. The agreement is not in conflict with law or the governing documents of the Association.
- B. The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

20-4 No Fee: A Member of the Association may not be charged a fee to participate in the process.