



HERITAGE RANCH PLANNED COMMUNITY

COVENANTS, CONDITIONS AND RESTRICTIONS

TRACT #CO-71-217

“20 ACRES”

(SUPPLEMENTARY)

In accordance with California Senate Bill 222, effective January 1, 2020, if this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

RECORDED SUMMARY PAGE

The original Supplementary DECLARATION, consisting of 58 pages, was recorded on June 1, 1973 as Document #17442. The Supplementary DECLARATION has subsequently been amended as follows:

Amended by vote of the membership and recorded on July 23, 1976, as Document #28843

Article I, Section 22, Paragraph (3)
Article I, Section 22, Paragraph (7)
Article III, Section 1
Article III, Section 5, Paragraph (e)
Article XI, Section 6

Amended by vote of the membership and recorded on February 19, 1986, as Document #9592

Article VIII, Section 12
Article IX, Section 3, Paragraph (c)
Article IX, Section 9
Article XI, Section 13
Article XI, Section 16
Article XI, Section 23
Article XIII, Section 1, Paragraph (d)

Amended by vote of the membership and recorded on August 11, 1999 as Document #1999-058461

Article VIII, Section 7
Article IX, Section 7

Discriminatory language corrected by the Board of Directors on December 5, 2001, as Document #2001094234

Article III, Section 2
Article III, Section 3
Article IV, Section 1, Paragraph (c)
Article IV, Section 2
Article IV, Section 3
Article VIII, Section 4, Paragraph (b)
Article VIII, Section 5
Article IX, Section 2
Article XI, Section 7
Article XIV, Section 1

RECORDING REQUESTED BY and
WHEN RECORDED RETURN TO:

1 FIRST AMERICAN TITLE INSURANCE CO.:

DECLARATION

2 OF

3 COVENANTS, CONDITIONS AND RESTRICTIONS

4 HERITAGE RANCH AND CATTLE COMPANY

1973 JUN 1 10 00 AM '73

1973 JUN 1 10 00 AM '73

DOC. NO. 17442

OFFICIAL RECORDS

SAN LUIS OBISPO CO., CALIF.

WILLIAM E. ZIMARIK,

COUNTY RECORDER

JUN 1 1973

JUNE 2:15 P.M.

5
6 THIS DECLARATION, made on the date hereinafter set forth
7 by HERITAGE RANCH AND CATTLE COMPANY, a California corporation,
8 hereinafter referred to as "Declarant".

9 WITNESSETH:

10 WHEREAS, Declarant is the owner of certain property in
11 the County of San Luis Obispo, State of California, which is more
12 particularly described as:

13 Heritage Ranch Twenty Acre Parcel Map CO-71-217,
14 as recorded in Book 11, Pages 123 to of
Maps, Official Records, County of San Luis Obispo.

15 AND, WHEREAS, it is the desire and intention of the
16 Declarant to subdivide said property as part of a planned
17 development pursuant to the provisions of Section 11003 et seq.
18 of the Business and Professions Code of the State of California,
19 and to impose upon said property mutually beneficial restrictions
20 under a master plan of development for the benefit of all owners
21 thereof.

22 AND, WHEREAS, the Tract described above is being
23 developed in accordance with Declarant's Development Plan
24 submitted to and approved by the County of San Luis Obispo,
25 which Development Plan provides for, or may be amended to provide
26 for, various uses, including but not limited to, the following:

27 (1) Private: single family and multiple family home-
28 sites, condominiums, mobile homesites, recreational vehicle sites.

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1 twenty (20) acre ranches, and large acreage parcels.

2 (2) Commercial and Industrial: village, retail stores,
3 service businesses, tourist facilities, medical and dental
4 facilities, hospital, recreational vehicle park, dude ranch,
5 campsites, marina, boat and recreational vehicle storage and
6 repair facilities, light industrial and general commercial.

7 (3) Recreational: parks, golf course, riding trails,
8 campgrounds, lakes, motorcycle trails, equestrian center, hunt
9 club, marinas, launch ramps, archery and rifle ranges, amusement
10 parks, swimming pool and baseball parks.

11 (4) Public Agency: sewage collection, treatment and
12 disposal facilities, water distribution, storage and treatment
13 facilities, sanitary landfill, fire station, public schools,
14 police station, county service area facilities, library and
15 hospitals.

16 (5) Open Space: real estate which is located within the
17 boundaries of the Heritage Ranch planned community and which is a
18 part of, or adjacent to a subdivision tract which is restricted in
19 use as undeveloped common areas, which real property shall be
20 owned by the Heritage Ranch Owners Association.

21 (6) Institutional: churches, synagogues, private
22 schools, colleges, religious centers, Y.M.C.A.s, Y.W.C.A.s, Boys
23 Clubs, and other similar types of institutional uses.

24 (7) Other purposes and uses as in the judgment of
25 Declarant deemed to be appropriate and as allowed by the County
26 of San Luis Obispo or other appropriate governmental body.

27 NOW, THEREFORE, Declarant hereby declares that all of
28 said tract described above and such additions thereto as

1 may hereafter be made pursuant to ARTICLE II is held and shall be
2 held, conveyed, hypothecated, encumbered, leased, rented, used,
3 occupied or improved, subject to the following easements,
4 limitations, restrictions, covenants and conditions, all of which
5 are declared and agreed to be for the purposes of enhancing and
6 perfecting the value, desirability and attractiveness of the above
7 described tract and such other real property as may be
8 annexed to this tract, as hereinafter provided,
9 and every part thereof and that all of the limitations, covenants,
10 restrictions and conditions shall run with the land, and shall
11 be binding on all parties having or acquiring any right, title
12 or interest in the said tract or any part thereof and shall be
13 for the benefit of each owner of any portion of said tract, or
14 any interest therein, and shall inure to the benefit of and be
15 binding upon each successor in interest of the said owners.

16 ARTICLE I

17 DEFINITIONS

18 Section 1. The term "Architectural and Environmental
19 Control Committees" shall mean the committees created pursuant to
20 ARTICLE VIII.

21 Section 2. The term "Architectural and Environmental
22 Control Committees Rules" shall mean rules adopted and amended
23 from time to time by the Board of Directors of the Association
24 pursuant to the powers granted to them under this Declaration and
25 the Bylaws.

26 Section 3. The term "Articles" shall mean the Articles
27 of Incorporation of The Heritage Ranch Owners Association which
28 are filed in the Office of the Secretary of State of the State of

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1 California, as such Articles of Incorporation may from time to
2 time be amended.

3 Section 4. The term "Association" shall mean and refer
4 to Heritage Ranch Owners Association, a California nonprofit
5 corporation, its successors and assigns.

6 Section 5. The term "Board" shall mean the Board of
7 Directors of the Association.

8 Section 6. The term "Bylaws" shall mean the bylaws of
9 the Association which are or shall be adopted by the Board, as
10 such bylaws may from time to time be amended.

11 Section 7. The term "Common Area" shall mean a lot or
12 lots restricted in perpetuity as open space on a subdivision map
13 which has been conveyed in fee or in trust for or to the
14 Association, together with all of the improvements from time to
15 time constructed thereon. Common Area shall also mean and include
16 any real property interest deeded to the Association from time to
17 time by the Declarant or others, which real property interest is
18 restricted to the common use of the members of the Association.
19 Such Common Areas shall be used for the common use and enjoyment
20 of the owners, including, but not limited to, streets, easements,
21 drainage facilities, parkways, parks, recreational facilities,
22 riding trails and undeveloped natural Common Areas.

23 Section 8. The term "Condominium" shall mean a
24 condominium as defined in Section 783 of the Civil Code of the
25 State of California.

26 Section 9. The term "Corner Lot" defines a lot having
27 a front line on the street on which the shortest dimension abutting
28 a street occurs, and of which one of the side lot lines is the lot

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1 line in that particular portion of the subdivision which is nearest
2 to a street intersection.

3 Section 10. The term "Declarant" shall mean and refer
4 to Heritage Ranch and Cattle Company, a California corporation,
5 its successors and assigns.

6 Section 11. The term "Developer" shall mean and refer
7 to Heritage Ranch and Cattle Company, a California corporation,
8 its successors and assigns.

9 Section 12. The term "Development Plan" shall mean
10 and refer to the Plan considered and approved by the San Luis
11 Obispo Planning Commission on August 11, 1971, which reflects the
12 Developer's Plan and intention, subject to future modifications
13 and amendments for the overall development of the Heritage Ranch.

14 Section 13. The term "Excavation" shall mean any
15 disturbance of the surface of the land (except to the extent
16 reasonably necessary for planting) which results in the removal
17 of earth, rock or other substance from a depth of more than
18 eighteen (18) inches below the natural surface of such land.

19 Section 14. The term "File" or "Filed" shall mean, with
20 respect to the subdivision map, that said subdivision map shall
21 have been filed in the Office of the Recorder of the County of
22 San Luis Obispo, State of California.

23 Section 15. The term "Fill" shall mean any addition of
24 rock or earth materials to the surface of the land which increases
25 the natural elevation of such surface by more than eighteen (18)
26 inches.

27 Section 16. The term "Front line" defines a lot
28 boundary line that is abutting the right-of-way of the street on

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1 which the lot abuts.

2 Section 17. The term "Heritage Ranch Planned Community"
3 shall mean and refer to the real properties subject to the
4 jurisdiction of The Association (either through the recording of
5 this Declaration or any annexation), together with all real property
6 (located within the boundaries legally described on Exhibit "B")
7 which is developed and/or subdivided by Declarant for the purposes
8 and uses described herein, in accordance with Declarant's
9 Development Plan.

10 Section 18. The term "Heritage Ranch" shall mean
11 and refer to the real property legally described on Exhibit "B"
12 attached hereto, portions of which are being developed and
13 subdivided by Declarant for the purposes and uses described herein,
14 in accordance with Declarant's Development Plan.

15 Section 19. The term "Heritage Ranch Conditions,
16 Covenants and Restrictions" shall mean, with respect to all
17 property within the Heritage Ranch, the limitations, restrictions,
18 covenants and conditions set forth in this Declaration, as such
19 Declaration may from time to time be amended pursuant to ARTICLE
20 XII, Section 4, and, with respect to any property which is annexed
21 pursuant to ARTICLE II, a Declaration of Conditions, Covenants and
22 Restrictions imposed by Declarant, filed with respect to such
23 annexed property pursuant to ARTICLE II, which Declaration is some-
24 times referred to as a Supplementary Declaration of Conditions,
25 Covenants and Restrictions.

26 Section 20. The term "Heritage Ranch Rules" shall
27 mean the rules from time to time in effect pursuant to the
28 provisions of ARTICLE VII, Section 1(d).

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1 Section 21. The term "Improvements" shall include
2 dwellings, buildings, accessory buildings, mobile homes, modular
3 homes, roads, driveways, parking areas, fences, retaining walls,
4 stairs, decks, hedges, poles, signs and any structures of any type
5 or kind. The foregoing shall not include recreation vehicles.

6 Section 22. The term "Lot" shall mean and refer to:

7 (1) all numbered lots and parcels which have been sub-
8 divided, either pursuant to the Subdivision Map Act or the Subdivided
9 Lands Act of the State of California (or other similar Act providing
10 for the subdivision of real property (or any interest therein) from
11 time to time adopted by the State Legislature), provided, however,
12 the foregoing shall not include numbered lots on Subdivision Maps
13 or Records of Survey which are restricted in use to Common Areas.

14 (2) all numbered condominium units shown on a
15 Diagramatic Condominium Map.

16 (3) each individual dwelling unit or dwelling area
17 of any multiple family residential building (including, but not
18 limited to, guesthouses and dwelling units in a commercial inn,
19 hotel, motel and dude ranch). Dwelling unit shall include each
20 hotel room, motel room, guest room or other similar accommodation
21 designed for rental or usage to or by persons on a temporary
22 occupancy basis.

23 (4) each dwelling area or vehicle space of a recreational
24 vehicle park, and mobile home park.

25 (5) each twenty acre parcel which is designated on
26 either a Subdivision Map or a Record of Survey Map.

27 (6) acreage parcels larger than twenty acres upon
28 which a dwelling unit may be constructed.

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1 (7) each individual commercial unit or individual
2 commercial area of any commercial establishment in any area of
3 real property developed for, and restricted to commercial or
4 industrial use.

5 (8) each individual ownership interest of an undivided
6 interest in unsubdivided land within the Heritage Ranch.

7 Section 23. The term "Member" shall mean and refer to
8 every person or business entity who holds membership in the
9 Association.

10 Section 24. The term "Mobile home" shall mean and refer
11 to independent trailer coaches designed for permanent residential
12 occupancy.

13 Section 25. The term "Mortgage" shall mean and include
14 a deed of trust as well as a mortgage in the conventional sense.

15 Section 26. The term "Mortgagee" shall mean and include
16 a beneficiary of a deed of trust, as well as a mortgagee.

17 Section 27. The term "Owner" shall mean and refer to
18 one or more persons or business entities who appear in the records
19 of the County Recorder of San Luis Obispo County as the owner of
20 a fee simple title to any lot, but excluding those having such
21 interest merely as security for the performance of an obligation.

22 Section 28. The term "Rear lot line" defines the
23 boundary line of the lot that is farthest from and substantially
24 parallel to the line of the street on which the lot abuts.

25 Section 29. The term "Record" or "Recorded" shall
26 mean, with respect to any document, that said document shall have
27 been recorded in the Office of the Recorder of the County of
28 San Luis Obispo, State of California.

1 Section 30. The term "Recreation Vehicles and
2 Recreational Vehicle Units" are hereby defined to include each
3 of the following:

4 (1) Trailers designed for temporary periods of
5 occupation, commonly referred to as travel trailers, but not
6 including tent trailers.

7 (2) Self-propelled Motor Homes designed for temporary
8 periods of occupation.

9 (3) Camper Units mounted on truck beds or mounted on
10 a truck chassis and designed for temporary periods of occupation.

11 Section 31. The term "Road" shall mean any paved
12 vehicular way constructed within or upon any portion of Common
13 Area designated a private road on a Subdivision Map.

14 Section 32. The term "Side line" defines a lot
15 boundary line that extends from the street on which the lot
16 abuts to the rear line of the lot.

17 Section 33. The term "Structure" shall mean anything
18 constructed or erected, the use of which requires location on
19 the ground or attachment to something having location on the
20 ground.

21 Section 34. The term "Subdivision Map" shall mean
22 (a) any final map within the meaning of the provisions of
23 Division 4, Part 2, Chapter 2, of the Business and Professions
24 Code of the State of California, (b) any final plan within the
25 meaning of the provisions of Division 2, Part 4, Title 6 of the
26 Civil Code of the State of California, or (c) any final record
27 of survey map within the meaning of the provisions of Division
28 4, Part 2, Chapter 2, of the Business and Professions Code of the

1 State of California, as such provisions may from time to time be
2 amended.

3 Section 35. The term "Tract" shall mean and refer to
4 that certain real property hereinbefore described as Heritage Ranch
5 Twenty Acre Parcel Map CO-71-217-25, recorded in Book _____,
6 Pages ____ to _____, of Maps, Official Records, County of San
7 Luis Obispo.

8 Section 36. The term "Undeveloped Natural Common Area"
9 shall mean and refer to common areas which are part of, or adjacent
10 to individual subdivision tracts of the Heritage Ranch Planned
11 Community which will be maintained in an undeveloped and natural
12 state as open space for recreational use, subject only to construction
13 of structures and facilities for recreational purposes, drainage,
14 parking, utilities and access to only those lots shown on
15 subdivision maps.

16 Section 37. The term "Unit" shall mean the portion of
17 any condominium not owned in common with the owners of other
18 condominiums in a project.

19 Section 38. The term "Used Structure" shall mean any
20 building or structure which was previously built on, or situated
21 at, a location other than the lot, except factory built
22 structures (including, but not limited to, modular housing or
23 mobile homes), which have been stored at a location other than
24 the lot on a temporary basis.

25 Section 39. The term "Visible from Neighboring Lots"
26 shall mean, with respect to any given object or activity, that
27 such object or activity is or would be in any line of sight
28 originating from any point six feet above any other property,
excluding contiguous property owned by the Owner of the property

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1 involved, but including Corron Area, assuming that such other
2 property has an elevation equal to the highest elevation of the
3 ground surface of that portion of the property upon which such
4 object or activity is located.

5 ARTICLE II

6 ANNEXATION OF ADDITIONAL PROPERTY

7 The real property legally described on Exhibit "B"
8 attached hereto and as delineated on the Declarant's Development
9 Plan Map attached hereto, marked Exhibit "A", and/or any other real
10 property, may be annexed to the Heritage Ranch Planned Community
11 and become subject to the jurisdiction of the Association by any of
12 the methods set forth hereinafter in this ARTICLE, as follows:

13 Section 1. Annexation Without Approval and Pursuant
14 to General Plan. Declarant may, in its sole discretion, from
15 time to time, annex all or any part of the real property described
16 in Exhibit "B" and as delineated on Exhibit "A" to this tract and to
17 the Association. Upon such annexation, such real property shall become
18 subject to the jurisdiction and a part of the Association without
19 the approval, assent or vote of the Association or its members,
20 providing and on condition that Declarant imposes conditions, cove-
21 nants and restrictions applicable to such property, which are
22 substantially similar to this Declaration of Conditions, Covenants
23 and Restrictions, provided, however, such Conditions, Covenants and
24 Restrictions imposed by Declarant shall contain provisions which
25 Declarant deems appropriate for the development of the particular
26 type of use being created for the real property being annexed;
27 (Declarant shall, in adopting such Conditions, Covenants and
28 Restrictions on annexed property, modify, amend, delete and add

1 provisions to these basic Conditions, Covenants and Restrictions
2 whenever necessary or desirable to effectuate the development and
3 use of the annexed property as part of the Heritage Ranch Planned
4 Community in accordance with Declarant's Development Plan.)
5 Such additional conditions, covenants and restrictions may, from
6 time to time, be referred to in these Conditions, Covenants and
7 Restrictions as Supplementary Declaration of Conditions, Covenants
8 and Restrictions.

9 (a) Prior to the conveyance of title to
10 lots to individual purchasers thereof, title to
11 any Common Area shall be conveyed either to the
12 Association or to a trust company licensed to do
13 business in the State of California, to be held
14 pursuant to the trust, as more particularly set
15 forth in other provisions of these Conditions,
16 Covenants and Restrictions, until such time as
17 title is delivered to the Association.

18 (b) When Declarant records a Declaration of
19 Covenants, Conditions and Restrictions on any
20 real property to be annexed, the recordation of
21 such Declaration of Conditions, Covenants and
22 Restrictions shall constitute and effectuate
23 the annexation of the said real property described
24 in such Declaration of Conditions, Covenants and
25 Restrictions, making said real property subject
26 to the functions, powers and jurisdiction of the
27 Association, and thereafter all of the owners of
28 lots in said real property shall automatically

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1 be members of the Association.

2 (c) Declarant may, in its sole discretion,
3 annex any real property or any interest therein
4 as Common Areas to the Heritage Ranch Planned
5 Community by deeding same to the Association
6 or in trust for the Association, and imposing
7 on such Common Areas, restrictions which will
8 be set forth in the deed to such Common Areas.

9 Section 2. Annexation Pursuant to Approval. Any real
10 property not described in Exhibit "B" or delineated on the
11 Map attached as Exhibit "A", may be annexed into the Association
12 pursuant to an affirmative vote of a two-thirds majority of the
13 voting power of the members (excluding the vote of the Declarant),
14 or the written assent of a two-thirds majority of the voting
15 power of the members (excluding the vote of the Declarant). In the
16 event of such approval, any real property to be so annexed must have
17 recorded against it a Declaration of Conditions, Covenants and
18 Restrictions which is substantially similar to the Conditions,
19 Covenants and Restrictions imposed upon real properties which are
20 subject to the jurisdiction of the Association, provided, however,
21 such Declaration of Conditions, Covenants and Restrictions shall be
22 appropriate for the development of the particular type of use to be
23 contained on the real property being annexed. Upon such annexation,
24 the Owners of lots in such annexed property shall enjoy all the
25 rights, privileges and obligations of membership of the Association.

26 Section 3. Supplementary Declarations. The Supplementary
27 Declarations contemplated in this ARTICLE II shall contain
28 such covenants, conditions and restrictions as Declarant
deems appropriate, necessary or desirable to reflect the different

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1 character of use, if any, of the added property, so that such
2 annexed property will become an integral part of the planned
3 community in accordance with Declarant's Plan of Development.
4 In no event, however, shall any such Supplementary Declaration
5 revoke or modify this Declaration of Conditions, Covenants and
6 Restrictions unless the procedures for modification and amendment
7 provided for in ARTICLE XII, Section 4, of this Declaration have
8 been complied with.

9 The recordation of said Supplementary Declaration
10 shall constitute and effectuate the annexation of the said real
11 property described in such Supplementary Declaration, making said
12 real property subject to the functions, powers and
13 jurisdiction of the Association, and thereafter all of the owners
14 of lots in said real property shall automatically be members of
15 the Association.

16 Section 4. Mergers or Consolidations. Upon a merger
17 or consolidation of the Association with another association,
18 as provided in its Articles of Incorporation, its properties,
19 rights and obligations shall by operation of law, be transferred
20 to another surviving or consolidated association or, alternatively,
21 the properties, rights and obligations of another association
22 may, by operation of law, be added to the properties, rights and
23 obligations of the Association as a surviving corporation
24 pursuant to a merger. The surviving or consolidated association
25 may administer the covenants, conditions and restrictions
26 established by this Declaration within the existing property,
27 together with any supplementary covenants, conditions and
28 restrictions established upon any other property, as one plan.

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ARTICLE III
MEMBERSHIP

Section 1. Membership. Each lot has appurtenant to it one (1) membership in the Association. If there is only one (1) record owner of the lot, then the membership shall inure to that particular owner, however, if more than one (1) individual has an ownership in the lot, or if the lot is owned by a corporation, partnership or other business entity, then the membership shall inure to the benefit of the person or persons provided for in the Bylaws and regulations of the Association. No owner shall have more than one (1) membership for each lot owned by such owner. Membership shall be appurtenant to and may not be separated from the fee ownership of any lot or undivided interest of an unsubdivided land which is subject to assessment by the Association, provided, however, V.I.P. Memberships, Charter Life Memberships and Associate Memberships are limited Classes of Membership which are not appurtenant to any lot as more particularly set forth in the Bylaws of the Association. Ownership of such lot shall be the sole qualification for membership. The terms and provisions set forth in this Declaration which are binding upon all owners of lots and all members in the Association, are not exclusive, as the members shall, in addition, be subject to the terms and provisions of the Articles of Incorporation, Bylaws and Regulations of the Association.

Section 2. Transfer. The membership held by any owner of a lot shall not be transferred, pledged or alienated in any way, except upon the sale of such lot, and then only to the purchaser of such lot. Any attempt to make a prohibited transfer

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1 is void, and will not be reflected upon the books and records of
2 the Association. In the event the owner of any lot should fail
3 or refuse to transfer the membership registered in his name to the
4 purchaser of such lot, the Association shall have the right to
5 record the transfer upon the books of the Association upon receipt
6 of proof that the purchaser is the owner as reflected in the
7 Official Records of the County Recorder of San Luis Obispo County.

8 Section 3. Voting Rights. The Association shall have
9 two (2) types of voting membership:

10 Type A. Each owner who is entitled to the rights
11 of membership in the Association, as provided in Section 1 and in
12 the Articles of Incorporation, Bylaws and Rules and Regulations of
13 the Association, shall be entitled to one (1) vote for each lot
14 owned by such owner on all matters properly submitted for vote to
15 the membership of the Association; provided, however, that every
16 owner entitled to vote at any election or removal of the members
17 of the Board of Directors may cumulate his votes and give any one
18 or more candidates a number of votes equal to the number of lots
19 owned by the owner multiplied by the number of directors to be
20 elected. The right to vote may not be severed or separated from
21 any lot, and any sale, transfer or conveyance of any lot to a new
22 owner shall operate to transfer the appurtenant vote without the
23 requirements of any express reference thereto.

24 Type B. The Type B Member shall be the
25 Declarant. The Type B Member shall be entitled to three (3)
26 votes for each lot owned by Declarant on all matters properly
27 submitted for a vote to the membership of the Association;
28 Declarant shall have the right to cumulate its votes and give any

1 one or more candidates a number of votes equal to three (3) votes
2 per each lot owned by Declarant multiplied by the number of
3 directors to be elected. Declarant shall have the voting rights
4 provided for herein until the earlier of the following: i) six (6)
5 years from the date of admission of the first member other than
6 the Developer to the Association; or ii) three (3) years after the
7 date of the issuance of the last Public Subdivision Report issued
8 by the Department of Real Estate of the State of California.

9 Section 4. Meetings. The first meeting of the
10 Association shall take place not later than six (6) months from
11 the date the first lot is sold in Tract 424, or when 68 of the
12 lots have been sold at Heritage Ranch, whichever first occurs.

13 Section 5. Classes of Membership. The Bylaws of the
14 Association shall set forth the various Classes of Membership in
15 the Association, which Classes shall include, but not be limited
16 to: (a) Heritage Ranch Members; (b) Heritage Ranch Entity
17 Memberships; (c) Heritage Ranch Co-owner Members; (d) Heritage
18 Ranch Developer's Membership; (e) Charter Life Members; (f) V.I.P.
19 Memberships; and (g) Associate Members. The rights, privileges,
20 duties and obligations of members, in addition to those imposed
21 by this Declaration of Conditions, Covenants and Restrictions
22 shall be as set forth in the Bylaws.

23 Section 6. Heritage Ranch Developer's Membership.
24 Declarant shall be a Member of the Association by reason of its
25 inventory of unsold lots. This Membership shall be known as the
26 "Heritage Ranch Developer's Membership", and shall entitle the
27 directors, officers and certain management employees designated
28 by Declarant to the use of all of the Common Area and recreational

1 facilities within Heritage Ranch. Nothing contained herein shall
2 be deemed to limit the use of the Association's common areas as
3 recreation facilities by lessees or guests of the Declarant in
4 accordance with the provisions of this Declaration, the Bylaws and
5 Rules and Regulations applicable to the use of facilities by guests
6 and lessees of owners of lots, nor shall it limit the Declarant's
7 right of use pursuant to Section 1(e) of ARTICLE IV of this
8 Declaration.

9 ARTICLE IV

10 PROPERTY RIGHTS IN THE COMMON AREAS

11 Section 1. Members' Easements of Enjoyment.

12 Every member shall have a right and easement of enjoyment in and
13 to the Common Area, and such easement shall be appurtenant to
14 and shall pass with the title to every assessed lot, subject
15 to the following provisions:

16 (a) The right of the Association to establish
17 uniform rules and regulations pertaining to the use of the
18 Common Area.

19 (b) The right of the Association, in accordance
20 with its Articles and Bylaws, to borrow money for the purpose
21 of improving the Common Area and facilities.

22 (c) The right of the Board of Directors to
23 suspend the voting rights and/or use privileges of a member
24 for any period during which any assessment against his lot
25 remains unpaid and delinquent, and for a period not to exceed
26 thirty (30) days for any single infraction of the rules and
27 regulations of the Association, provided that any suspension
28 of such voting rights except for failure to pay assessments,

1 shall be made only by the Board of Directors or a duly appointed
2 committee thereof, after notice and hearing given and held in
3 accordance with the Bylaws of the Association. The Board of
4 Directors shall have the right to suspend a member's voting and use
5 privileges if the Rules and Regulations of the Association have
6 been violated by a lessee or other person who is a delegated user
7 (as such delegation is provided for in Section 2 of this ARTICLE IV),
8 of a member.

9 (d) The right of the Association to dedicate or
10 transfer all or any part of the Common Area to any public agency,
11 authority or utility for such purposes and subject to such
12 conditions as may be agreed to by the Members. No such dedication
13 or transfer shall be effective unless an instrument signed by
14 Members entitled to cast two-thirds of the votes of the membership
15 has been recorded, agreeing to such dedication or transfer, and
16 unless written notice of the proposed action is sent to every
17 Member not less than thirty (30) nor more than sixty (60) days
18 in advance, provided, however, the foregoing requirements shall not
19 apply to dedication in the events specified in subparagraph (f).

20 (e) The right of Declarant (and its sales agents
21 and representatives) to the non-exclusive use of the Common Area
22 and the facilities thereof for special events, affairs, promotional
23 activities, displays, exhibit purposes and otherwise, in connection
24 with Declarant's public relations program or in connection with
25 the sale of lots within the Heritage Ranch or any property annexed
26 thereto, which right Declarant hereby reserves; provided, however,
27 that such use shall terminate if Declarant terminates its sales
28 efforts and public relations program at any point in time for a

1 period of more than one (1) continuous year. Provided, however,
2 in the event of any Act of God or of any Governmental order which
3 might be decreed in time of war or national emergency which has
4 the effect of interrupting Declarant's sales efforts and public
5 relations program, such interruption shall not limit Declarant's
6 right to resume and continue to use the Common Area and
7 facilities. It is further provided that Declarant, in exercising
8 its rights hereunder, shall endeavor at all times to conduct its
9 activities in such a manner as not to unreasonably restrict the
10 members in their use and enjoyment of the Common Area or
11 facilities.

12 (f) (i) The County of San Luis Obispo, in
13 consideration of granting exceptions to zoning and subdivision
14 requirements, and thereby authorizing the development of the
15 HERITAGE RANCH, and in particular this Tract, may
16 enforce the provisions of this Declaration relating to the
17 covenants pertaining to the Common Area within the property,
18 in the event that Declarant, its successors and assigns,
19 (including the Association) shall fail to maintain the Common
20 Areas. The County assumes no obligation to enforce any of the
21 Covenants, Conditions and Restrictions contained herein. The
22 rights of the County to enforce the Covenants, as they relate
23 to maintenance of the Common Areas, shall only accrue in the
24 event that the Common Areas, together with all improvements
25 thereon, are not maintained in an orderly manner without
26 constituting either a public or private nuisance. Declarant
27 covenants, for the benefit of the County and for the benefit of
28 owners of lots, that the Common Area within this Tract, and that

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1 other Common Areas conveyed to the Association, shall be maintained
2 for the exclusive use and benefit of the members of the Association,
3 their delegated users (lessees), and their guests.

4 (f) (ii) The Declarant hereby offers to dedicate
5 the Common Area to the County of San Luis Obispo which dedication
6 is contingent upon the failure of the Association to maintain the
7 Common Area in accordance with generally accepted standards for
8 maintenance of shrubs, trees and undeveloped natural common areas,
9 and all improvements contained within the common area (including,
10 without limitation, recreational buildings, streets, curbs, side-
11 walks and other facilities). The rights of dedication set forth
12 in this subparagraph (ii) are independent of and in addition to the
13 other rights provided for in this subparagraph (f).

14 (f) (iii) The County of San Luis Obispo, in the
15 event the Common Area is not properly maintained in accordance
16 with the generally accepted standards for maintenance of shrubs,
17 trees and undeveloped natural Common Areas, and all improvements
18 contained within the Common Area (including without limitation,
19 recreational buildings, streets, curbs, sidewalks, and other
20 facilities), or in the event there is a delinquency in the payment
21 of taxes or assessments imposed by law upon the Common Area
22 portions owned by the Association, and of this Tract, which continues
23 for thirty (30) days after written notice from the County to the
24 Association and to Declarant, may make and enforce assessments,
25 which shall be a lien against the lots within this tract and any
26 lots annexed to this tract and to the Association, and the Common
27 Area, and Declarant hereby acknowledges on behalf of itself, its
28 successors and assigns, that any such assessment shall be a lien

1 against the lots within this Tract and any lot annexed to this
2 Tract and to the Association, and on the Common Areas of the
3 Association. This lien of the County on each lot and the Common
4 Area may be enforced by civil action or foreclosure of lien or other
5 remedy. It is the intent of this provision that the County is to
6 enforce its assessment and lien on the lots in this Tract and any
7 lots annexed to this Tract and to the Association, and to the
8 Common Areas to insure the maintenance of the Common Areas which
9 are required to be maintained by the Association.

10 Section 2. Delegation of Use. Any Member
11 may delegate, in accordance with the Bylaws and Rules and
12 Regulations of the Association, his right of enjoyment to the
13 Common Areas and the facilities to members of his family or his
14 tenants who reside on the member's lot.

15 Section 3. Waiver of Use. No member may exempt
16 himself from personal liability for assessments duly levied by the
17 Association, nor release the lot owned by him from the liens and
18 charges hereof, by waiver of the use and enjoyment of the Common
19 Areas and the facilities thereon, or by abandonment of his lot.

20 Section 4. Title to the Common Area. The Declarant
21 hereby covenants for itself, its successors and assigns, that
22 it will convey, in accordance with said Declarant's Development
23 Plan, title to the Common Areas either directly to the Association
24 or to a trust company authorized to do business in California,
25 subject to deed restrictions imposed by Declarant, providing for
26 the common areas to be restricted to the non-commercial
27 recreational uses provided for in Declarant's Development Plan and
28 to easements, conditions and reservations then of record,

1 including those set forth in this Declaration and Supplementary
2 Declarations. The trust company shall convey such Common Area
3 to the Association on the happening of either of the following
4 events, whichever occurs earlier:

5 (a) When 4,080 lots have been
6 sold; or

7 (b) Three (3) years after the date of
8 issuance of the most recent Final Subdivision
9 Public Report by the Real Estate Commissioner
10 of the State of California pertaining to the
11 real property described in Exhibit "B" or any
12 part thereof.

13 ARTICLE V

14 COVENANTS FOR MAINTENANCE ASSESSMENTS

15 Section 1. Creation of the Lien and Personal

16 Obligation of Assessments. The Declarant, for each lot owned by it
17 within the Tract and within any additional Tracts annexed to the
18 Heritage Ranch Planned Community, hereby covenants and agrees to pay,
19 and each Owner of any lot in the Heritage Ranch Planned Community
20 which becomes subject to the jurisdiction of the Association, by
21 acceptance of a deed therefor, whether or not it shall be so expressed
22 in any such deed, is deemed to covenant and agrees to pay to
23 the Association: (1) Regular assessments or charges,
24 and (2) Special assessments for capital improvements,
25 such assessments to be fixed, established and collected from time
26 to time as hereinafter provided. The regular and special
27 assessments, together with such interest thereon and costs of
28 collection thereof, as hereinafter provided, shall be a charge on

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1 the land and shall be a continuing lien upon the lot against which
2 each such assessment is made. Each such assessment, together with
3 such interest, costs and reasonable attorneys fees, shall also
4 be the personal obligation of the person who was the Owner of
5 such lot at the time when the assessment fell due.

6 Section 2. Purpose of Assessments. The assessments
7 levied by the Association shall be used exclusively for the
8 purpose of safety and welfare of the Members of the Association
9 and, in particular, for the improvement, operation and maintenance
10 of the properties of the Association, and the services and
11 facilities devoted to this purpose, and related to the use of the
12 Common Area and all improvements contained on such Common Area.

13 Section 3. Regular Assessments. The amount and time
14 of payment of regular assessments shall be determined by the
15 Board of Directors of the Association pursuant to the Articles of
16 Incorporation and Bylaws of said Association, after giving due
17 consideration to the current maintenance and operation costs and
18 future needs of the Association. Written notice of the amount of
19 an assessment, regular or special, shall be sent to every owner and
20 the due date of the payment of same shall be set forth in said
21 notice. Regular assessments shall be fixed on an annual basis.

22 Section 4. Special Assessments for Capital
23 Improvements. In addition to the regular assessments, the
24 Association may levy in any fiscal year, a special assessment
25 applicable to that year only, for the purpose of defraying, in
26 whole or in part, the costs of any construction or reconstruction,
27 unexpected repair or replacement of the capital
28 improvements upon the Common Area, including the necessary

1 fixtures and personal property related thereto, provided that any
2 such assessment which is more than a sum equal to Ten Percent
3 (10%) of the regular annual assessment, shall have the assent of
4 the majority of the members who are eligible to vote, excluding
5 the Declarant, in person or by proxy at any such meeting duly
6 called for this purpose.

7 Section 5. Uniform Rate of Assessment. Both regular
8 and special assessments shall be fixed at a uniform rate for
9 all lots and may be collected on a monthly or annual basis.

10 Section 6. Date of Commencement of Regular
11 Assessments and Fixing Thereof. Regular assessments of the
12 Association shall commence as to all lots in this Tract on the
13 first day of the month following the recordation of this
14 Declaration of Conditions, Covenants and Restrictions which annexes
15 this Tract to the Heritage Ranch Planned Community and to this
16 Association.

17 Section 7. Certificate of Payment. The Association
18 shall, upon demand, furnish to any Owner liable for said
19 assessment, a Certificate in writing, signed by an officer of the
20 Association, setting forth whether the regular and special
21 assessments on a specified lot have been paid, and the amount of
22 the delinquency, if any. A reasonable charge may be made by the
23 Board for the issuance of these Certificates. Such Certificate
24 shall be conclusive evidence of payment of any assessment therein
25 stated to have been paid.

26 Section 8. Exempt Property. The following property
27 subject to this Declaration shall be exempt from the assessments
28 created herein:

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1 (a) All properties dedicated to and accepted
2 by a local public authority;

3 (b) The Common Area owned by the Association.
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5 ARTICLE VI

6 ASSESSMENTS

7 Section 1. Lien. The amount of each regular and
8 special assessment, plus any other charges thereon, such as
9 interest when delinquent, and costs of collection (including
10 attorneys fees), if any, shall constitute and become a lien on
11 the lot so assessed when the Board of Directors causes to be
12 recorded with the County Recorder of San Luis Obispo County a
13 Notice of Assessment, which shall state the amount of such
14 assessment and such other charges, a description of the lot which
15 has been assessed, and the name of the record owner thereof.
16 Such Notice shall be signed by the Secretary of the Association
17 on behalf of the Association. Upon payment of said assessment
18 and charges in connection with which such Notice has been so
19 recorded, or other satisfaction thereof, the Board of Directors
20 shall cause to be recorded further Notice stating the satisfaction
21 and release of the lien thereof.

22 Section 2. Delinquency. Any assessment (or any
23 installment of such assessment) provided for in this Declaration,
24 which is not paid when due, shall be delinquent. With respect
25 to each assessment or any installment of each assessment not paid

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1 within fifteen (15) days after its due date, the Association may,
2 at its election, require the Owner to pay a "late charge" in a sum
3 to be determined by the Association, but not to exceed \$10.00 per
4 each delinquent assessment or installment of such assessment.
5 If any such assessment or installment is not paid within thirty (30)
6 days after the delinquency date, the assessment shall bear interest
7 from the date of delinquency at the rate of Ten Percent (10%) per
8 annum, and the Association may, at its option, bring an action at
9 law against the Owner personally obligated to pay the same, or any
10 necessary proceedings to foreclose the lien provided for in
11 Section 1 of this ARTICLE VI against the lot, and there shall be
12 added to the amount of such assessment: a) the late charge, b) the
13 costs of preparing and filing the complaint in such action, c) in
14 the event a judgment is obtained, such judgment shall include said
15 interest, court costs and a reasonable attorneys fee, d) in the
16 event a foreclosure proceeding is commenced, then the costs and
17 attorneys fees connected with the foreclosure. Each Owner vests
18 in the Association or its assigns, their right and power to
19 bring all actions at law or lien foreclosure proceedings
20 against such Owner or other Owners for the collection of such
21 delinquent assessments.

22 The Board of Directors shall have the option to
23 declare that the entire unpaid balance of an assessment is due
24 and payable in the event a default should be made on the payment
25 of any installment of such assessment.

26 Section 3. Notice of Lien. No action shall be brought
27 to foreclose said assessment lien or to proceed under the power
28 of sale herein provided less than thirty (30) days after the date

1 a notice of foreclosure of lien is deposited in the U. S. mail,
2 certified or registered, postage prepaid, to the Owner of said lot
3 and a copy thereof is recorded by the Association in the Office of
4 the County Recorder of San Luis Obispo County, in which the
5 properties are located; said notice of foreclosure must recite
6 a good and sufficient legal description of any such lot, the
7 record owner or reputed owner thereof, the amount claimed (which
8 shall include interest on the unpaid assessment at the rate of
9 Ten Percent (10%) per annum, plus reasonable attorneys fees and
10 expenses of collection in connection with the debt secured by
11 said lien), and the name and address of claimant.

12 Section 4. Foreclosure Sale. Any such sale provided
13 for above is to be conducted in accordance with the provisions
14 of Section 2924, 2924b and 2924c of the Civil Code of the State
15 of California, applicable to the exercise and powers of sale in
16 mortgages and deeds of trust, or in any other manner permitted or
17 provided by law. The Association, through its duly authorized
18 agents, shall have the power to bid on the lot at foreclosure sale,
19 and to acquire and hold, lease, mortgage and convey the same.

20 Section 5. Curing of Default. Upon the timely curing
21 of any default for which a notice of claim of lien was filed by
22 the Association, the officers of the Association are hereby
23 authorized to file or record, as the case may be, an appropriate
24 release of such notice of foreclosure, upon payment by the
25 defaulting Owner of a fee, to be determined by the Association, but
26 not to exceed \$25.00 to cover the costs of preparing and filing or
27 recording such release, together with the payment of such other
28 costs, interest or fees, that shall have been incurred.

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1 Section 6. Cumulative Remedies. The assessment lien
2 and the rights to foreclose and sale thereunder shall be in
3 addition to and not in substitution for all other rights and
4 remedies which the Association and its assigns may have hereunder
5 and by law, including a suit to recover a money judgment for
6 unpaid assessments, as above provided.

7 Section 7. Subordination of Assessment Liens. If any
8 lot subject to a monetary lien created by any provision hereof
9 shall be subject to the lien of a deed of trust made in good faith
10 and for value, and which is recorded prior to the recordation of
11 such Notice of Foreclosure: (1) the foreclosure of any lien
12 created by anything set forth in this Declaration shall not operate
13 to affect or impair the lien of such deed of trust; (2) the fore-
14 closure of the lien of such deed of trust or the acceptance of a deed
15 in lieu of foreclosure of the deed of trust shall not operate to
16 affect or impair the liens provided by this Declaration, except that
17 the liens provided by this Declaration for said charges as shall have
18 accrued up to the foreclosure or the acceptance of the deed in lieu
19 of foreclosure shall be subordinate to the lien of the deed of
20 trust, with the foreclosure-purchaser or deed-in-lieu-grantee
21 taking title free of the liens created by the provisions of this
22 Declaration for all said charges that have accrued up to the time
23 of the foreclosure or deed given in lieu of foreclosure, however,
24 title shall be subject to the liens provided for in this
25 Declaration for all said charges that shall accrue subsequent to
26 the date of the completion of foreclosure or recordation of the
27 deed given in lieu of foreclosure.

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ARTICLE VII

DUTIES AND POWERS OF THE ASSOCIATION

Section 1. Duties and Obligations of the

Association. The Association shall have the obligations and duties, subject to the Heritage Ranch Declarations of Covenants, Conditions and Restrictions, to do and perform each and every of the following for the benefit of the owners, and for the maintenance and improvement of the properties of the Association and all properties annexed to this Tract, the Heritage Ranch Planned Community, and the Association.

(a) The Association shall accept as part of the Association, all property annexed to the Heritage Ranch Planned Community and the Association, pursuant to ARTICLE II, and shall accept all owners entitled to membership as members of the Association.

(b) The Association shall accept title to all Common Areas and easements from time to time conveyed to it by Declarant.

(c) The Association shall maintain, or provide for the maintenance of, the Common Area, recreational facilities and all improvements of whatever kind and for whatever purpose from time to time located on the Common Area in good order and repair, including but not limited to the private roads, park areas, riding trails and bike trails; roads shall be maintained in a condition of repair at least equal to that of comparable roads of the County of San Luis Obispo.

(d) The Board of Directors shall, from time to time, make, establish, promulgate, amend and repeal the Rules and Regu-

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1 lations of the Association according to the procedure set forth in
2 the Bylaws.

3 (c) The Board of Directors shall, from time to
4 time, make, establish, promulgate, amend and repeal rules,
5 regulations and criteria pertaining to the functions and decisions
6 of the Architectural and Environmental Control Committees.

7 (f) The Association shall take such action,
8 whether or not expressly authorized by the Declarations of
9 Conditions, Covenants and Restrictions, as may reasonably be
10 necessary to enforce the restrictions, limitations, covenants
11 and conditions of this Declaration and all Supplemental
12 Declarations, the Heritage Ranch Owners Association
13 Rules, Bylaws and the Architectural and Environmental Committee
14 Rules.

15 (g) The Association shall pay any real and
16 personal property taxes and other charges assessed against the
17 Common Areas.

18 (h) The Association shall have the authority to
19 obtain, for the benefit of all of the Common Areas, all water,
20 gas and electric services and refuse collection.

21 (i) The Association may grant easements where
22 necessary for utilities and roads over the Common Areas to serve
23 the Common Areas and the lots.

24 (j) The Association shall maintain such policy or
25 policies of insurance as the Board of Directors of the
26 Association deems necessary or desirable in furthering the
27 purposes of protecting the interests of the Association and its
28 Members.

1 (k) The Association shall have the authority to
2 employ a manager or other persons and to contract with independent
3 contractors or managing agents to perform all or any part of the
4 duties and responsibilities of the Association, provided that any
5 contract with a person or firm appointed as a manager or managing
6 agent shall provide for the right of the Association to terminate
7 the same at the first annual meeting of the Members of the
8 Association.

9 (l) The Association shall have the power to
10 establish and maintain a working capital and contingency fund in
11 an amount to be determined by the Board of Directors of the
12 Association.

13 ARTICLE VIII

14 ARCHITECTURAL AND ENVIRONMENTAL CONTROL COMMITTEES

15 Section 1. Architectural and Environmental Control
16 Committees. All plans and specifications for any structure or
17 improvement whatsoever to be erected on or moved upon or to any lot,
18 and the proposed location thereof on any lot or lots, the
19 construction material, the roofs and exterior color schemes, any
20 later changes or additions after initial approval thereof, and
21 any remodeling, reconstruction, alterations or additions thereto
22 on any lot, and any excavation, fill or removal of trees, shall be
23 subject to and shall require the approval in writing before any
24 such work is commenced of the appropriate Architectural and
25 Environmental Control Committee.

26 Section 2. Number of Committees. There shall be
27 seven (7) separate Architectural and Environmental Control
28 Committees. There shall be a separate Architectural and

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1 Environmental Control Committee for each of the following types
2 of usage or development to be contained on real properties subject
3 to the jurisdiction of the Association:

- 4 (1) Recreational Vehicle Lots;
- 5 (2) Twenty (20) Acre Lots (lot approximately
6 20 acres in size);
- 7 (3) Single Family Residential Lots;
- 8 (4) Condominiums and Multiple Family
9 Residential Lots;
- 10 (5) Mobile Home Lots;
- 11 (6) Commercial and Industrial Lots;
- 12 (7) Unsubdivided Parcels Larger Than
13 Twenty (20) Acres.

14 Section 3. Composition of Committees. Each
15 Architectural and Environmental Control Committee shall be composed
16 of three (3) members to be appointed by Declarant. Each Committee
17 shall include two (2) members who own lots within the Heritage
18 Ranch Planned Community in an area permitting the same land use as
19 would come within the jurisdiction of the appropriate Committee.
20 The third Committee member may be an owner of any type of lot in the
21 Heritage Ranch Planned Community, or may be a non-owner or non-
22 member. Each of said members shall be an owner of a lot in the
23 usage area to be governed by such Committee; for the purpose of
24 this ARTICLE, officers and/or directors of a corporate owner shall
25 qualify to serve as a member of such Committee. Architectural
26 and Environmental Control Committee Members shall be subject to
27 removal by Declarant and any vacancies from time to time existing
28 shall be filled by appointment by Declarant, or in the event of

1 Declarant's failure to so appoint within two (2) months after any
2 such vacancy, then by the Board of Directors of the Association.
3 The Board of Directors of the Association shall have complete
4 control of the appointments and removal of the Committee Members,
5 six (6) years after the date of the conveyance of the first lot in
6 the Heritage Ranch Planned Community to an individual owner or when
7 6,120 lots have been conveyed in the Heritage Ranch Planned
8 Community, whichever occurs earlier, provided, however, Declarant
9 may, at any time prior to the Association having such membership,
10 relinquish Declarant's rights of appointment in favor of the Board
11 of Directors of the Association.

12 Section 4. Submission of Plans. There shall be sub-
13 mitted to the appropriate Architectural and Environmental Control
14 Committee two complete sets of plans and specifications for any and
15 all proposed improvements and structures, (including, but not
16 limited to, plans and specifications for stock ponds, corrals,
17 any agricultural building, barn, storage building or other
18 agricultural improvement), the erection or alteration of which is
19 desired. No structures or improvements of any kind shall be
20 erected, altered, placed or maintained upon any lot unless and
21 until the final plans and specifications for such improvement or
22 structure have received the written approval of the appropriate
23 Architectural and Environmental Control Committee. Plans submitted
24 to the Architectural and Environmental Control Committee shall
25 include plot plans showing the location on the lot of the building,
26 wall, fence, driveways, access roads or other improvements or
27 structures proposed to be constructed, altered, placed or maintained,
28 together with the proposed construction material, color schemes for
roofs and exteriors thereof, proposed excavation, fill and tree

1 removal, if any, and proposed landscape planning. In addition,
2 topography maps prepared by a registered civil engineer or a
3 licensed land surveyor shall be included as part of all plans. The
4 appropriate Architectural and Environmental Control Committee shall
5 approve or disapprove plans, specifications and details within
6 thirty (30) days from the receipt thereof, or shall notify the
7 person submitting them that an additional period of time, not to
8 exceed fifteen (15) days, is required for such approval or disapproval.
9 Plans, specifications and details not approved or disapproved within
10 the time limits provided herein shall be deemed approved as submitted.
11 One set of said plans, specifications and details with the approval
12 or disapproval, endorsed thereon by the Architectural and
13 Environmental Control Committee, shall be returned to the person
14 submitting them and the other copy thereof shall be retained by the
15 appropriate Architectural and Environmental Control Committee for
16 its permanent files. The appropriate Architectural and Environmental
17 Control Committee shall have the right to disapprove any plans,
18 specifications or details submitted to it in the event the same
19 are not in accordance with all the provisions of the applicable
20 Heritage Ranch Declarations of Conditions, Covenants and
21 Restrictions; if the design or color scheme of the proposed
22 improvement or other structure is not in harmony with the general
23 surroundings of such lot or with the adjacent improvements or
24 structures, or entails excessive grading, excavation or fill, or
25 removal of trees, or does not provide adequate drainage of a lot
26 and adjacent areas; or if the plans and specifications are
27 incomplete. The decisions of the appropriate Architectural and
28 Environmental Control Committee shall be binding. Provided,
however, that any owner who desires to appeal the Architectural and

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1 Environmental Control Committee's decisions may do so by filing a
2 written request for review with the Board of Directors specifying
3 each and every reason for any dissatisfaction with the appropriate
4 Architectural and Environmental Control Committee's decision.
5 The Board of Directors, in its discretion, may consider the
6 request for review and any additional information related to such
7 request. The Board of Directors may then reject the owner's appeal
8 or, upon the Owner's request for appeal, reverse the Architectural
9 and Environmental Control Committee's decision and the Board of
10 Directors decision shall be final. The appropriate Architectural
11 and Environmental Control Committees, the Association, the
12 Declarant, and their architects or agents shall not be responsible
13 in any way for any defects in any plans or specifications sub-
14 mitted, revised or approved in accordance with the foregoing
15 provisions, nor for any structural or other defects, and any work
16 done according to such plans and specifications.

17 (a) In the event that the appropriate Architectural
18 and Environmental Control Committee should reject any plans or
19 suggest revisions and modifications, then any resubmittal
20 of such plans, as revised and modified, shall be handled in the
21 same manner as if the plan were an original submission to the
22 appropriate Architectural and Environmental Control Committee.

23 (b) The owner of a lot shall submit his particular
24 plans to the appropriate Architectural and Environmental Control
25 Committee, subject to such rules, regulations and procedures
26 as are established from time to time by the Board of Directors
27 for the filing and approval or disapproval of plans and
28 specifications by the Architectural and Environmental Control
Committees.

1 (c) Each Architectural and Environmental Control
2 Committee shall notify the County Planning Department of San Luis
3 Obispo County and the Association's General Manager, in writing,
4 of the name and address of a lot owner whose plans have been
5 approved by such Committee, and the date of approval of such plans.

6 Section 5. Each lot owner in this Tract shall construct
7 or cause to be constructed upon his lot two off-street parking
8 spaces at such time as the lot is improved with a residential
9 dwelling. Each space shall be of sufficient size to accommodate
10 a standard size automobile and at least one of the parking spaces
11 shall be in the form of a carport, barn or garage constructed in
12 accordance with the rules and regulations of the appropriate
13 Architectural and Environmental Control Committee.

14 Section 6. Every building, dwelling, improvement or
15 structure, the construction or placement of which is begun on any
16 lot in this Tract shall have the exterior of the building improve-
17 ment or structure, and all landscaping, completed within six (6)
18 months after the beginning of such construction or placement of such
19 building, improvement or structure on the lot, and the interior shall
20 be completed within twelve (12) months from the commencement of such
21 construction, placement of the building, dwelling, structure or
22 improvement on such lot.

23 Section 7. Every residential building, dwelling, improve-
24 ment or structure having a roof shall use a roof covering material
25 of cedar shakes, wood shingles, asphalt shingles of brown, green or
26 wood tone colors only, having a weight per 100 square feet of not
27 less than 235 lbs., clay or cement tile, or built up roofing covered
28 with colored rock or other material approved by the appropriate
Architectural and Environmental Control Committee, provided,

1 however, the appropriate Architectural and Environmental Control
2 Committee may not, under any conditions, allow any asphalt shingles
3 not hereinbefore specified, or rolled roofing to be used as a roof
4 covering material. Corrugated steel roofing may be allowed on
5 roofs of non-residential buildings, provided such roofing is painted.

6 Section 8. During the period of construction on any
7 lot, all building materials, equipment and activities shall be
8 confined and carried out within the boundaries of the lot and
9 shall not encroach upon adjacent property. All trash and debris
10 shall be placed in a trash container on a daily basis which is
11 equipped with a cover, and construction materials shall be kept
12 in a neat and orderly condition.

13 Section 9. All improvements or structures constructed or
14 placed on any lot shall be constructed with new material and no used
15 improvements, structures or material (except used brick or approved
16 wood siding) shall be placed, moved onto or erected on, or
17 relocated on any lot.

18 Section 10. The grading of any lot in this Tract
19 shall be kept to an absolute minimum and shall not be permitted
20 except to accommodate improvements, structures, driveways, access
21 roads, drainage and agricultural operations. All lot grading must
22 be done in accordance with an approved plan and design submitted
23 to and approved by the appropriate Architectural and Environmental
24 Control Committee.

25 Section 11. The appropriate Architectural and
26 Environmental Control Committee shall have the authority to set
27 up regulations as to the size, type, design and location of all
28 fences and walls which may be constructed on a lot.

Section 12. There shall be no exterior lighting of any

1 sort either installed or maintained on any lot or structure,
2 the light source of which is visible from neighboring lots,
3 streets or the Common Area.

4 ARTICLE IX

5 SIZE AND PLACEMENT OF RESIDENCE AND STRUCTURE

6 Section 1. Every residence dwelling constructed on a lot
7 in this Tract shall contain Sixteen Hundred (1,600) minimum square
8 feet of fully enclosed floor area, devoted to living purposes
9 (exclusive of roofed or unroofed porches, terraces, garages and
10 other outbuildings). Each such dwelling shall be not higher than
11 two stores.

12 Section 2. Whenever two or more contiguous lots in the
13 subdivision shall be owned by the same person, such person shall,
14 if he so desires, use the said two or more lots as a site for a
15 single dwelling house. The lots constituting the site for such
16 single dwelling house shall be treated as a single lot for the
17 purpose of applying these restrictions to said lots, so long
18 as the lot is being improved with a single dwelling house.

19 Section 3. No lot in this Tract shall be used except for
20 single family residential purposes and the agricultural uses
21 specified in Section 5 of this ARTICLE. No structure shall be
22 erected, placed or permitted to remain on any lot in this Tract
23 other than (i) one single family residence dwelling; (ii) such
24 outbuildings as are usually accessory to a single family residence
25 dwelling, including a private garage or carport; (iii) one house
26 for employees or guests, provided that such employee or guest house
27 is attached to the single family residence, and, provided further,
28 that the enclosed floor area of the employee or guest house shall
not exceed 1,000 square feet; (iv) one barn; (v) one storage building

1 for farm equipment and machinery; and (vi) two animal shelters.
2 The total enclosed floor area of all outbuildings included in
3 items (ii) through (vi) of this section, when considered
4 collectively, shall not exceed an aggregate of 4,000 square feet.

5 Section 4. No residential building, barn, accessory
6 outbuilding, garage, carport, storage building, animal shelter,
7 or other structure shall be erected on any lot in this Tract unless
8 within the building setback lines (except fences, walls, water
9 pumps, windmills, or bridges, where approved or required by the
10 appropriate Architectural and Environmental Control Committee).

11 The following are the minimum dimensions for front, side and rear
12 setbacks on all lots in this Tract:

13 (a) Fifty (50) feet from the rear line of
14 each lot.

15 (b) Fifty (50) feet from the side line of
16 each lot.

17 (c) Each lot in this Tract has a specified
18 and dimensioned area set forth on the recorded
19 Subdivision Tract Map as the front yard setback.

20 Section 5. Each lot in this Tract may be used for the
21 following agricultural purposes:

22 (a) The raising, cultivating and harvesting
23 of tree and vine crops.

24 (b) The raising, breeding and keeping of
25 horses on any lot, provided that there shall not
26 be more than one such animal for each one acre of
27 real property. (Foals of such horses under the age
28 of eight (8) months shall not count for purposes

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of computing animals per acre.)

(c) The raising, breeding and keeping of cattle on any lot, provided that there shall not be more than two such animals for each one acre of real property. (Calves of such cattle under the age of eight (8) months shall not count for purposes of computing animals per acre.)

(d) The raising, breeding and keeping of sheep or goats on any lot, provided that there shall not be more than two such animals for each one acre of real property.

(e) Hay, grain and feeds may be stored on the lot, provided that such storage shall be limited to quantities of hay, grain and feed which are to be used only for feeding and maintaining the owners' livestock, and provided further that such storage is located in the area within the building setback lines.

(f) Manures and fertilizers may be stored on the property, provided that such storage shall be limited to a maximum amount which shall be equal to a 12 months supply.

(g) The raising, cultivating and harvesting of grain and hay crops.

(h) The raising and keeping of not more than four pigs on any lot. (Provided, however, piglets of such pigs under the age of four (4) months shall not be counted for purposes of computing

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animals per lot.)

(i) The raising and keeping on any lot of four dogs, four cats or other usual household pets and their offspring under the age of eight (8) months, provided that they are not kept or bred for any commercial purpose.

(j) The raising and keeping on any lot of not more than 10 chickens and 10 ducks or not more than an aggregate of 20 domesticated fowls of any type.

(k) The total number of animals, hereinbefore mentioned offspring excluded, (domestic, stock or fowl) of any type raised, bred or kept on lots in this Tract shall not exceed an aggregate of 40.

Section 6. All farm equipment, trucks and machinery shall be stored only in buildings designed for that purpose, or in a neat and orderly manner in areas located within the building setback lines.

Section 7. No fence or wall shall be constructed which is of a solid design or construction unless such wall or fence is an integral part of a structure.

Section 8. If any portion of the lot is used for grazing of livestock, the owner of such lot shall not allow overgrazing; in no event shall any pasture be grazed more closely than three (3) inches to the ground.

Section 9. No lot shall be used for any industrial or commercial activities, except the raising of tree and vine crops, and the raising, breeding and keeping of livestock, as set forth in Section 5 of this ARTICLE. Provided, however, the owners of

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1 Lots 10 through 13, inclusive, may maintain on each of the said
2 lots a roadside sales stand for the purpose of selling crops or
3 livestock which have been raised on that particular lot. Such
4 roadside sales stand shall not exceed 300 square feet in size.
5 The plans and specifications for such roadside sales stand shall
6 be submitted to the Architectural and Environmental Control
7 Committee in accordance with the provisions of ARTICLE VIII of
8 these Conditions, Covenants and Restrictions, and each such road-
9 side sales stand, the parking area for such stand, and any driveway
10 leading to such stand shall be treated for all purposes as
11 structures and improvements subject to review and approval of the
12 appropriate Architectural and Environmental Control Committee.

13 ARTICLE X

14 EASEMENTS

15 Section 1. An easement over the Common Area for the
16 purposes of ingress, egress and maintenance of improvements on
17 property adjacent to the Common Area is hereby reserved to
18 Declarant, together with a right to grant and transfer the same
19 or any part or right thereof or therein.

20 Section 2. Easements over the Common Area for the
21 installation and maintenance of electric, telephone, cable
22 television, water, gas and sanitary sewer lines and drainage
23 facilities are hereby reserved by Declarant, together with the
24 right to grant and transfer the same.

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1 Section 3. There is hereby reserved to Declarant an
2 easement over the rear twenty (20) feet of each lot, twenty (20)
3 feet along each side lot line of each lot, and over the front
4 fifty (50) feet of each lot. The reservation shall allow Declarant
5 to place on, under or across such easement area fuel breaks, public
6 utilities (including, but not limited to, water, gas, sanitary,
7 sewer, electric, telephone and drainage), drainage facilities,
8 transmission lines and facilities for a community antenna television
9 system and the right to enter upon the easement area of such lot
10 to service, maintain, repair, reconstruct and replace said
11 utilities, lines or facilities, together with the right to grant
12 and transfer the same; provided, however, that the exercise of
13 such rights does not unreasonably interfere with the owner's
14 reasonable use and enjoyment of said lot. There is also hereby
15 reserved to Declarant an easement over the front fifty (50) feet
16 of each lot for horseback riding trails, bicycle trails and access
17 drives to adjacent parcels. Within these easements, no structure,
18 planting or other material shall be placed or permitted to remain
19 which may damage or interfere with the installation and maintenance
20 of fuel breaks, horseback riding trails, bicycle trails, access
21 drives, utilities or lines, or which may damage, interfere, or
22 change the direction of flow of drainage facilities in the ease-
23 ments. The easement area of each lot in this Tract and all of
24 owner's improvements thereon shall be maintained continuously by
25 the owner of the lot, or in the Common Area, by the Association,
26 except for those improvements for which a public authority or
27 utility company is responsible. There is also hereby reserved to
28 declarant an easement over the rear fifty (50) feet of parcels num-
29 ber 15 through 20 which may be fenced and maintained by declarant
30 for the movement of livestock between grazing ranges and/or pastures.
31 Such easement shall not prohibit the grantees use or enjoyment of
32 such easement area, provided it does not interfere with the move-
33 ment of such livestock.

1 unsightly by reason of unattractive growth on such lot or the
2 accumulation of rubbish or debris thereon. In the event any such
3 lot or any improvement or any structure thereon is not so
4 maintained, the Association shall have the right, through its
5 agents and employees to enter thereon for the purpose of
6 maintenance, restoration or repair, the cost of which shall be
7 added to and become a part of the annual assessment to which such
8 lot is subject.

9 Section 5. Every tank for the storage of fuel installed
10 outside any building, structure, or other improvement in this Tract
11 shall be buried below the surface of the ground or otherwise com-
12 pletely screened, to the satisfaction of the appropriate Architectural
13 and Environmental Control Committee. Every outdoor receptacle for
14 ashes, trash, rubbish or garbage in this Tract shall be installed
15 underground, screened or so placed and kept as not to be visible
16 from any street, Common Area, or lake within the property at any
17 time except during refuse collections.

18 Section 6. The parking, storage or keeping of any
19 camper, boat, trailer or recreational vehicle upon a lot in this
20 Tract so as to be visible to the occupants of other lots or the
21 users of any street, or within the area between the street right-
22 of-way line and the front setback line of the lot, or in the side
23 setback area of any corner lot, is expressly prohibited.

24 Section 7. No mobile home, recreation vehicle unit, tent,
25 or other temporary living quarters may be placed, maintained or
26 occupied on any lot in this Tract; except that the owner thereof,
27 upon completion and occupancy of the principal dwelling, may store
28 such items on his lot in a reasonable manner, within the areas
allowed, as described in Section 6 of this ARTICLE, unless otherwise

1 prohibited in this Declaration.

2 Section 8. No motorcycle riding shall take place within
3 the Tract or on any lot in the Tract if such motorcycle shall emit
4 sounds having a decibel rating higher than that established from
5 time to time by the Board of Directors.

6 Section 9. There shall be no outside drying or laundry
7 areas on any lot which are visible from any street or lot.

8 Section 10. No sign of any kind or for any use or purposes
9 whatsoever shall be erected, posted, pasted, painted or displayed
10 upon any of said lots in this Tract, or upon any building improve-
11 ment or other structure, except no trespassing and no hunting signs,
12 house numbering devices, signs not greater in size than twelve (12)
13 square feet stating the owner's name, address and/or ranch name,
14 and/or any type of agricultural operations, which signs shall be
15 approved as to size, style and location by the appropriate
16 Architectural and Environmental Control Committee, provided, however,
17 the foregoing shall not apply to "For Sale" signs which are of a
18 size not greater than five (5) square feet and of a design, color
19 and configuration commonly used in the area, and in no event shall
20 this Section be deemed to place restrictions upon "For Sale" signs
21 which are inconsistent with the provisions of Section 712 of the
22 California Civil Code. Provided, that the foregoing covenant shall
23 not apply to the business activities, signs and billboards, if any,
24 of Declarant, its agents and assigns, during the period of
25 construction and sale of lots within the Heritage Ranch Planned
26 Community.

27 Section 11. No animals, livestock (except as provided
28 in Section 5 of ARTICLE IX) or poultry of any kind shall be raised,
bred or kept on any of said lots in this Tract. The Association

1 shall have the power and right to adopt rules and regulations for
2 the control of household pets within the Tract, including but not
3 limited to, the control of pets in Common Areas, or in areas open
4 to the general public.

5 Section 12. Lot owners shall not construct, install or
6 maintain an outside television or radio antenna after the time
7 that cable television becomes available to them at rates of
8 charge for installation and monthly service commensurate with the
9 rates charged by comparable systems.

10 Section 13. No well for the production of, or from which
11 there is produced water, oil or gas, shall be operated or constructed
12 upon any lot in this Tract, nor shall any machinery, appliance or
13 structure be placed, operated or maintained thereon for use in
14 connection with any commercial, retail, service, trading,
15 manufacturing or repairing business.

16 Section 14. Lot owners shall not alter or construct on or
17 remove from any Common Areas owned by the Association anything
18 except upon written consent of the Association.

19 Section 15. No tree in excess of three (3) inches in
20 diameter, measured at a point twelve (12) inches above the ground,
21 shall be removed from any lot without first obtaining the written
22 consent of the appropriate Architectural and Environmental Control
23 Committee.

24 Section 16. No outside toilet shall be constructed upon
25 any lot. All plumbing, fixtures, dishwashers, toilets or sewage
26 disposal systems shall be connected to the community sewage system.

27 Section 17. No residence, improvement or structure shall
28 be occupied until the same has been substantially completed in
accordance with its plans and specifications and the certificate

1 permitting occupancy shall have been issued by the San Luis Obispo
2 County Building Department, or other appropriate governmental agency.

3 Section 18. An improvement or structure which has been
4 partially or totally destroyed by fire, earthquake or otherwise,
5 shall not be allowed to remain in such state for more than three
6 (3) months from the time of such destruction.

7 Section 19. In order to enhance the appearance and
8 orderliness of the subdivision, the Declarant hereby reserves for
9 itself, its successors and assigns, the exclusive right to operate
10 a commercial scavenging service within the Heritage Ranch Planned
11 Community for the purpose of removing garbage, trash and other like
12 household refuse. Such refuse collection and removal service
13 shall be provided not less often than once each week on a day or
14 days designated by the Declarant or its successors and assigns.
15 The charge to be made for such refuse collection and removal
16 service shall be at a reasonable rate commensurate with the rates
17 charged by commercial scavengers serving other subdivisions of
18 high standards in the area and shall be subject to change from
19 time to time.

20 Section 20. No temporary structure or other outbuildings
21 (except as provided in Section 3 of ARTICLE IX) shall be placed
22 or erected on a lot in this Tract; provided, however, that the
23 appropriate Architectural and Environmental Control Committee
24 may grant permission for any such temporary structure for storage
25 of materials during construction. No such temporary structures
26 which may be approved shall be used at any time as a dwelling
27 place. For purposes of this Section, outbuildings and temporary
28 structures do not include items which may be stored on a lot as

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1 provided in Sections 6 and 7 of this ARTICLE.

2 Section 21. No stripped down, partially wrecked or
3 junked motor vehicle or sizable part thereof, shall be permitted to
4 be parked on any road or on any lot in such manner as to be visible
5 to the occupants of other lots, or the users of any street or
6 common area. No truck larger than five (5) tons shall be parked,
7 for overnight (or longer), storage, on any lot in this Tract.

8 Section 22. No owner of any lot in this Tract shall
9 build or permit the building on such lot, or the advertising of any
10 dwelling unit or other improvement or structure that is to be used
11 as a model house or exhibit unless prior written permission to do
12 so shall have been obtained from the appropriate Architectural and
13 Environmental Control Committee.

14 Section 23. No radio station or shortwave operators of
15 any kind shall operate from any lot or any improvement or structure
16 situated on such lot in this Tract.

17 Section 24. No wall shall be constructed or placed within
18 the front yard setback area of any lot in this Tract. No fence
19 shall be constructed or placed within the front yard setback area
20 of any lot in this Tract which will enclose an area smaller than
21 one-half (1/2) acre. For the purposes of this paragraph, front yard
22 setback area shall mean the part of the lot that lies between the
23 line of the street on which the lot abuts and the required setback
24 from the front line of the lot. Any fence that is permitted within
25 the Tract and is not subject to the height limitations set out in
26 the preceding sentence may have a height not in excess of six (6)
27 feet.

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1 Section 25. No lot shall be split. If any lot shall be
2 owned by two or more persons as tenants in common, or as joint
3 tenants, nothing herein contained shall be deemed to prevent a
4 judicial partition of the co-tenancy interest or joint tenancy,
5 as between such co-tenants, so long as the lot is not divided into
6 parcels smaller than the size of the lot as designated on the
7 Subdivision Map of this Tract.

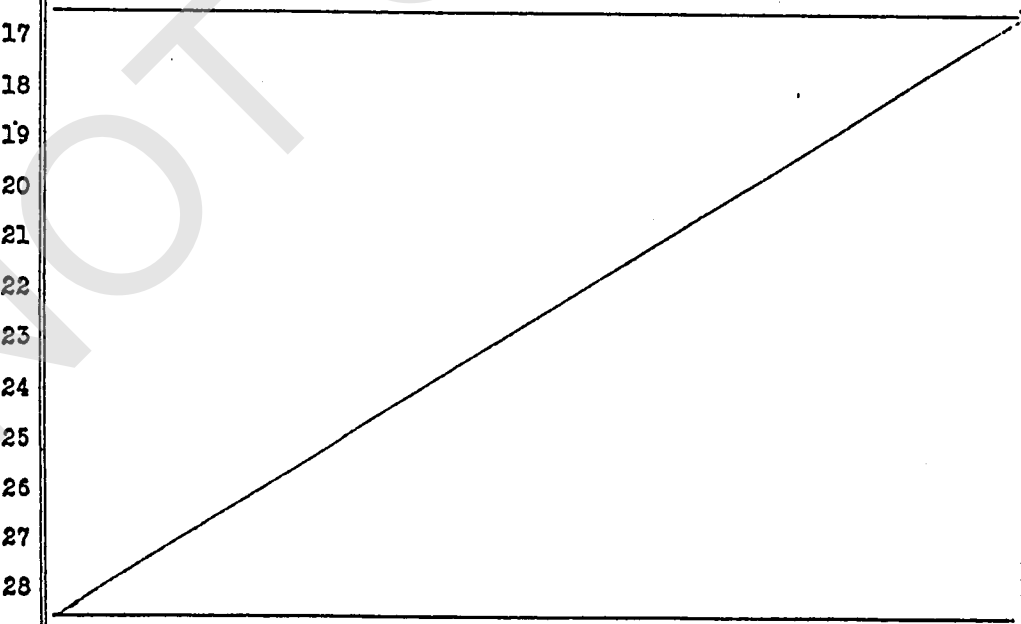
8 Section 26. Declarant, or its transferees, intends to
9 develop the Tract in accordance with Declarant's Development Plan as
10 same may be, from time to time, modified. Completion of that work
11 and the sale, rental and other disposal of the lots and parcels in
12 the Heritage Ranch Planned Community is essential to the establish-
13 ment and welfare of this Tract. In order that said work may be
14 completed and this Tract be established as part of a fully planned
15 community as rapidly as possible, nothing contained in Section 15
16 of this ARTICLE XI, nor anything contained in any other Article or
17 Section of this or any other Declaration of Conditions, Covenants
18 and Restrictions shall be understood or construed to:

19 (a) Prevent Declarant, its transferees or its
20 contractor, or subcontractors, from doing on this Tract
21 or any parts thereof, whatever it determines to be reasonably
22 necessary or advisable in connection with the completion of
23 Declarant's Development work; or

24 (b) Prevent Declarant, its transferees or its
25 representatives, from erecting, constructing and maintaining on
26 any part or parts of this Tract owned or controlled by Declarant,
27 or its transferees, or its contractors, or its subcontractors, such
28 improvements or structures as may be reasonably necessary for the

1 conduct of its business of completing said work and establishing
2 this Tract as a residential subdivision and disposing of the
3 same in lots and parcels by sale, lease, or otherwise; or
4 (c) Prevent Declarant, or its transferees, or its
5 contractors, or its subcontractors, from maintaining such sign
6 or signs on any of said lots owned or controlled by it as may be
7 necessary in connection with the sale, lease or otherwise of
8 the Tract. As used in subparagraphs in this Section,
9 the words "its transferees" specifically does not include
10 purchasers of individual lots within the Tract.

11 (d) Prevent Declarant from obtaining ingress and
12 egress over any Common Area or exercising any rights, easements
13 or licenses in, on, or over any Common Area, as more particularly
14 reserved to Declarant in these Conditions, Covenants and
15 Restrictions or as may be contained in other recorded documents.
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ARTICLE XII

GENERAL PROVISIONS

Section 1. Declarant, The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration of Conditions, Covenants and Restrictions. Failure by the Declarant, The Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The foregoing right shall include the right to commence proceedings at law or in equity to prevent the occurrence, continuation or violation of any of the Conditions, Covenants, Restrictions and/or equitable servitudes set forth in this Declaration. The remedies specified in this Declaration are cumulative, and this specification of said remedies shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity, or under any statute.

Section 2. In the event any covenant, condition or restriction herein contained shall be invalid or held invalid or void by any court of competent jurisdiction, such invalidity or nullity shall in no way affect any other covenant, condition or restriction herein contained.

Section 3. The covenants, conditions and restrictions of this Declaration shall run with the land and bind the land, and shall inure to the benefit of, and be enforceable by the Declarant, The Association, the Owner of any lot subject to this Declaration or the owner of any lot subject to any of the Heritage Ranch Declarations of Conditions, Covenants and Restrictions, their

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1 respective legal representatives, heirs, successors and assigns,
2 for a term of fifty (50) years from the date the Declaration is
3 recorded, after which time, said covenants shall be automatically
4 extended for successive periods of ten (10) years unless the then
5 owners of the lots subject to these Declarations, agree to change
6 the covenants in whole or in part.

7 Section 4. These restrictions may be amended at any time
8 and from time to time by an instrument in writing, signed by the
9 owners of seventy-five percent (75%), or more, of the lots in this
10 Tract. The written instrument amending these restrictions shall
11 become effective upon the recording of same in the Recorder's Office
12 of the County of San Luis Obispo, California.

13 Section 5. No delay or omission on the part
14 of Declarant in exercising any rights, power or remedy herein
15 provided, in the event of any breach of these Covenants,
16 Conditions or Restrictions herein contained, shall be construed
17 as a waiver thereof or acquiescence therein; nor shall a waiver
18 of any breach as described herein be construed as a waiver of
19 any subsequent breach. No right of action shall accrue nor shall
20 any action be brought or maintained by anyone against Declarant
21 for or on account of its failure to bring any action on account
22 of any breach of these Covenants, Conditions and Restrictions,
23 or for imposing conditions, covenants or restrictions in this
24 Declaration which may be unenforceable by Declarant, its
25 successors or assigns.

26 Section 6. The result of every act or omission,
27 whereby any provision, condition, restriction, covenant, easement
28 or reservation contained in this Declaration is violated in

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1 whole or in part, is hereby declared to be and constitutes a
2 nuisance, and every remedy allowed by law or equity against a
3 nuisance, either public or private, shall be applicable against
4 every such result, and may be exercised by the Association, or
5 any other lot owner in the Heritage Ranch Planned Community. Such
6 remedies shall be deemed cumulative and not exclusive.

7 Section 7. Whenever the context of this Declaration
8 requires same, the singular shall include the plural and the
9 masculine shall include the feminine.

10 Section 8. The Declarant herein intends to develop the
11 real property described in Exhibit "B" in accordance with
12 Declarant's Development Plan. Declarant's Development Plan provides
13 for development of the said real property in increments over a
14 period of years. From time to time, Declarant may modify, amend,
15 delete or otherwise change its Development Plan. No right of
16 action shall accrue nor shall any action be brought or
17 maintained by anyone against Declarant for or on account of any
18 modification, amendment, deletion or other change from or to
19 Declarant's Development Plan, or for Declarant's failure to
20 complete any particular item contained on its Development Plan;
21 provided, however, that recreational facilities which Declarant
22 advertises that it shall build, will be built by Declarant or
23 its agents, employees, contractors or subcontractors, and Declarant
24 shall obtain, at its cost and expense, a Completion Bond in favor
25 of the County and/or the Association insuring the completion of
26 such recreational facilities.

27 Section 9. The Board shall carry fire insurance with
28 an extended coverage endorsement or other form of coverage

1 providing equal or greater protection in the amount of the full
2 insurable value of all buildings, structures and other improvements
3 situated within the Common Area, excluding trees, shrubs and other
4 foliage. All losses covered by insurance shall be payable to the
5 Association and are to be used for repair, rebuilding or replacement
6 of any structure or improvement which is damaged or destroyed by
7 fire. In the event of damage to or destruction of any building
8 or structure situated within any Common Area, the Board shall
9 cause the same to be repaired, rebuilt or replaced if the insurance
10 proceeds are sufficient to cover the cost of repair. In the
11 event the cost of such repair, rebuilding or replacement exceeds
12 the insurance proceeds payable by reason of said damage or
13 destruction, the Board shall pro rate the excess cost of repair
14 among the Owners of lots in the form of a special assessment. The
15 levying of said special assessment shall be subject to the Board
16 obtaining written consent or vote of a majority of the Owners to
17 make such repairs, rebuilding or replacement in accordance with the
18 provisions of Section 4, ARTICLE V, of this Declaration.

19 ARTICLE XIII

20 GRANTEE'S TITLE

21 Section 1. Declarant shall convey fee title to lots
22 within the Tract by grant deed subject to:

23 (a) The Conditions, Covenants, Restrictions
24 and equitable servitudes as set forth herein;

25 (b) Easements, reservations, conditions,
26 covenants and rights of way of record;

27 (c) The reservation to Declarant of all oil,
28 gas, gasoline and other hydrocarbon substances

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and all other minerals underlying and within the boundaries of such lot below a depth of 100 feet, without right of surface entry (subject, however, to existing reservations, if any, which are valid and of record); and

(d) The reservation of any and all water rights regarding said property, without right of surface entry.

Such grant deed shall convey title to the lot only, the boundaries of which shall be the side, rear and front lot lines as designated on the subdivision map, excluding any fee interest in the Common Area, including, but not limited to, adjacent streets or roads in the Tract.

ARTICLE XIV

GRANTEE'S ACCEPTANCE

Section 1. The grantee of any lot subject to the coverage of this Declaration by acceptance of a deed conveying title to any lot, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such lot, shall accept such deed or contract upon and subject to each and all of these Conditions, Covenants, Restrictions and/or equitable servitudes and the agreements herein contained, and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the lots within this Tract and within the Heritage Ranch Planned Community to keep, observe, comply with and perform said Conditions, Covenants and Restrictions, equitable

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1 servitudes and agreements.

2 Section 2. Each such grantee also agrees, by such
3 acceptance, to assume, as against Declarant, its successors or
4 assigns, all the risks and hazards of ownership or occupancy
5 attendant to such lot.

6 ARTICLE XV

7 ANNEXATION

8 Section 1. This Declaration shall be considered a
9 Supplementary Declaration of Conditions, Covenants and Restrictions
10 annexing this Tract to all previously recorded tracts of the
11 Heritage Ranch Planned Community, including, but not limited to,
12 Tract 424.

13 IN WITNESS WHEREOF, the undersigned, being the
14 Declarant herein, has hereunto set its hand and seal this 20th
15 day of March, 1973.

17 HERITAGE RANCH AND CATTLE COMPANY

18 By W. Gordon Heath

19 By W. R. Woodworth

20 STATE OF CALIFORNIA

COUNTY OF Riverside

On March 20, 1973

before me, the undersigned, a Notary Public in and for
said State, personally appeared W. Gordon Heath

known to me to be the Assistant President, and W. R. Woodworth

known to me to be the Assistant Secretary of the corporation that executed the within instrument,

and known to me to be the persons who executed the within

instrument on behalf of the corporation therein named, and ac-

knowledged to me that such corporation executed the within

instrument pursuant to its by-laws or a resolution of its board of

directors.

WITNESS my hand and official seal.

Signature Lynda S. Bell
Lynda S. Bell



Name (Typed or Printed)

(This area for official notarial seal)

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APPROVAL and CONSENT

of

Mortgage (Lender)

Diversified Mortgage Investors, a Massachusetts Trust,
hereby approves and consents to the recording of the attached
Declaration of Restrictions on Heritage Ranch Twenty Acre Parcel
Map CO-71-217, San Luis Obispo County, California, and hereby
consents and agrees that any lien shall be subordinate to this
Declaration of Restrictions and shall be binding and effective
against any owner of said property whose title thereto is
acquired by foreclosure, trustee sale, or lien foreclosure.

DATED: March 27, 1973.

DIVERSIFIED MORTGAGE INVESTORS,
a Massachusetts business trust,

By William R. Moore
William R. Moore, Trustee

STATE OF FLORIDA)
) SS.
COUNTY OF DADE)

On this 27th day of March; 1973, before me,
the undersigned, a Notary Public in and for said County and State,
personally appeared William R. Moore, known to me to be a
Trustee of the Trust that executed the within Instrument, known
to me to be the person who executed the within Instrument on
behalf of the Trust therein named and acknowledged to me that
such Trust executed the within Instrument pursuant to its Bylaws
or a Resolution of its Board of Trustees.

WITNESS my hand and official seal.

Jeanette J. [Signature]
Notary Public in and for said County
and State

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES SEPT. 15, 1976
GENERAL INSURANCE UNDERWRITERS.

27 The name Diversified Mortgage Investors is the designation
of the Trustee for the purpose of the Declaration of
Restrictions on Heritage Ranch Twenty Acre Parcel
Map CO-71-217, San Luis Obispo County, California,
and hereby consents and agrees that any lien shall be
subordinate to this Declaration of Restrictions and shall
be binding and effective against any owner of said
property whose title thereto is acquired by foreclosure,
trustee sale, or lien foreclosure.
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AFTER RECORDING MAIL TO:

Heritage Ranch and Cattle Co.
P.O. Box 1155
Paso Robles, CA 93146

DOC. NO. 28843
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CAL
JUL 23 1976
COMPARED
WILLIAM E. ZIMARIK
COUNTY RECORDER
TIME 8 00 AM

AMENDMENT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS OF THE HERITAGE RANCH AND CATTLE COMPANY AND THE HERITAGE RANCH OWNERS ASSOCIATION BY-LAW

WHEREAS the following amendment to the Heritage Ranch Owners Association was at a regular held meeting on August 16, 1975, and subsequently finalized and adopted by more than two-thirds of the voting power of both the Heritage Ranch Owners Association and the Heritage Ranch and Cattle Company.

I, the undersigned Heritage Ranch Owners Association voting member, do hereby give my written assent to amendment of the Association by-law so as to immediately and totally delete therefrom the entirety of subsection (e) of Section 1 of Article IV pertaining to so-called Charter Life Memberships and to delete the word and number "7" and to substitute the word and number "6" in the first sentence of Section 1 of Article IV wherein the number of classes of Association members is now specified.

NOW, THEREFOR, we hereby amend the covenants, conditions and restrictions and the Heritage Ranch Owners Association By-laws as follows:

Articles of incorporation and by-laws of Heritage Ranch Owners Association filed in the office of the Secretary of State of the State of California on January 28, 1972, as File Number 644345 are hereby amended as follows:

- (a) Subsection e of Section 1 of Article IV is hereby deleted.
- (b) Section 1, Article IV shall read:

Section 1. Classes. There shall be six (6) classes of membership in the Association, which classes are hereinafter set forth.

- (c) Paragraph 7, Section 22, Article II which reads:

(7) Each individual commercial unit or individual commercial area of any commercial establishment in any area of real property developed for, and restricted to commercial or industrial use is hereby deleted in its entirety.

- (d) Paragraph 3, Section 22, Article II is hereby amended to read:

(3) Each individual dwelling unit or dwelling area of any multiple family residential building.

Covenants, Conditions and Restrictions affecting the following Tract Maps and Parcel Map are hereby amended as follows:

Tract 424, recorded June 25, 1972, in book 1670 page 367 of Official Records, and amended by instruments recorded July 10, 1972, in book 1677 page 571 of Official Records, and recorded July 27, 1972, in book 1680 page 460 of Official Records.

Tract (446) recorded June 25, 1972, in book 1670 page 441 of Official Records, and amended by instruments recorded July 10, 1972, in book 1677, page 575 of Official Records, and recorded July 27, 1972, in book 1680 page 462 of Official Records, and recorded March 27, 1974, in book 1771 page 117 of Official Records.

Tract 447, recorded May 23, 1973, in book 1725 page 850 of Official Records.

Tract 452, recorded May 23, 1973, in book 1725 page 790 of Official Records, and amended by instrument recorded June 15, 1973, in book 1729 page 454 of Official Records.

28843

Tract 466, recorded November 5, 1973, in book 1752 page 19 of Official Records.

Tract 474, recorded April 21, 1976, in book 1892 page 803 of Official Records.

Tract 475, recorded November 4, 1974, in book 1804 page 495 of Official Records.

Parcel Map No. CO-71-217, recorded June 1, 1973, in book 1727 page 361 of Official Records.

The above mentioned covenants, conditions and restrictions are hereby amended as follows:

(a) Article I, Section 22, Paragraph 3 is hereby changed to read:

(3) Each individual dwelling unit or dwelling area of any multiple family residential building.

(b) Article I, Section 22, Paragraph 7 is deleted.

(c) Article III, Section 1, delete the words Charter Life Memberships.

(d) Article III, Section 5, delete (e) Charter Life Members.

(e) Article XI, Section 6, as to all tracts except Tract 447, delete the existing paragraph and insert the following:

"The parking, storage or keeping of any camper, boat trailer or recreational vehicle upon a lot in this tract is permitted under a carport or in a garage. If parked in a side yard or backyard it must be screened so as not to be visible to the occupants of other lots or streets."

The above mentioned covenants, conditions and restrictions affecting Tract 475 only are amended as follows:

(a) Article V, Section 5, is hereby amended to read as follows:

Section 5. Uniform Rate of Assessment. Both regular and special assessments shall be fixed at a uniform rate for all lots and may be collected on a monthly or annual basis.

(b) Article IX, Section 1, is hereby amended to read as follows:

Section 1. Every mobile home constructed or placed on a lot in this tract shall contain a minimum of eight hundred (800) square feet of fully enclosed floor area, devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages and other outbuildings.) Every mobile home shall be single story, or not more than a two level split level unit, at least Forty (40) feet in length, and shall not exceed a maximum width of Thirty-Six (36) feet. Each mobile home may have a wood, concrete, brick patio or slab between the mobile home and the side or rear lot line even though such patio or deck extends beyond the rear or side set back line so long as such patio or deck which is extended beyond the rear or side set back line and is not covered by any roof or other structure.

The above mentioned covenants, conditions and restrictions affecting Tract 447 only are amended as follows:

(a) Article IX, Section 1 and Section 2, are hereby amended to read as follows:

Size and Placement of Residence and Structure.

Section 1. No recreational vehicle lot may be used for more than two (2) recreational vehicle unit at any one time.

Section 2. No recreational vehicle unit placed on a lot may exceed 250 square feet of floor area, nor have a length greater than 35 feet, nor a height greater than 10 feet measured from top of floor to top of roof.

- (b) Article IX, Section 5, is hereby deleted in its entirety.
- (c) Article IX, Section 8, Paragraph B, is hereby amended to read as follows:
 - (b) One (1) temporary metal, fiberglass, plastic or canvass patio roof structure not to exceed 150 square feet in area or 10 feet in height, nor to extend more than 10 feet from the side of any recreational vehicle unit.
- (d) Article IX, Section 8, Paragraph E, is hereby deleted in its entirety.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has set its hand and seal this 1st day of July, 1976.

THE SIX CORPORATION

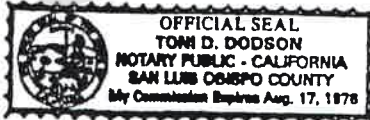
BY: [Signature] ASSISTANT V.P.

BY: [Signature]

STATE OF CALIFORNIA }
 COUNTY OF San Luis Obispo } ss.
 On July 1, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared Thomas H. Rodriguez known to me to be the Asst. President, and Ray B. [Signature] known to me to be the Asst. Secretary of the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature [Signature]
Tom D. Dodson
 Name (Typed or Printed)



(This area for official notarial seal)

Form 3002—(Corporation) First American Title Company

28843

RECORDING REQUESTED BY
FIRST AMERICAN TITLE COMPANY

9592
DOC. NO. 9592
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA

AND WHEN RECORDED RETURN TO:
Heritage Ranch Owners' Association
3945 Heritage Road
Paso Robles, CA 93446

FEB 19 1986
FRANCIS M. COONEY
County Clerk-Recorder
TIME 8:00 AM

MODIFICATION AND AMENDMENT TO
HERITAGE RANCH OWNERS' ASSOCIATION COVENANTS, CONDITIONS AND RESTRICTIONS

PARCEL MAP CO-71-217

WHEREAS, on June 1, 1973 a Declaration of Covenants, Conditions and Restrictions for Parcel Map No. CO-71-217 was recorded in Book 1727, Page 361 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, on July 23, 1976 a first amendment to the said Declaration of Covenants, Conditions and Restrictions for Parcel Map No. CO-71-217 was recorded as Document No. 28843 in Book 1911, Page 448 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, the following amendments have been adopted by an instrument in writing signed by seventy-five percent (75%) of the owners of the lots in Parcel Map No. CO-71-217.

NOW, THEREFORE, HERITAGE RANCH OWNERS' ASSOCIATION hereby amends the above-referenced Covenants, Conditions and Restrictions for Parcel Map No. CO-71-217 as follows:

ARTICLE VIII, Section 12

This section shall be deleted in its entirety.

ARTICLE IX, Section 3 (iii)

This section shall read: "one house for employees or guests, provided that the enclosed living space does not exceed 1,000 square feet."

ARTICLE IX, Section 9

Reference in the second sentence of this section to the owners of Lots 10 through 13, inclusive, shall be deleted.

ARTICLE IX, Section 9

The second sentence in this section shall refer to the owners of Lots 10 through 14, inclusive.

ARTICLE XI, Section 13

This section shall be deleted in its entirety.

ARTICLE XI, Section 13

This section shall now read: "No well for the production of, or from which there is produced oil or gas, shall be operated or constructed upon any lot in this tract, nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any commercial, retail, service, trading, manufacturing or repairing business."

ARTICLE XI, Section 16

This section shall be deleted in its entirety.

ARTICLE XI, Section 16

This section shall now read: "No outside toilet shall be constructed upon any lot in this tract."

ARTICLE XI, Section 23

This section shall be deleted in its entirety.

ARTICLE XI, Section 23

This section shall now read: Radio station or shortwave operators may operate from any lot or any improvement or structure situated on such lot in this tract, provided that antennas are not visible from the street, or neighboring lots, and provided, further, they do not cause radio or television interference."

ARTICLE XIII, Section 1 (d)

This subsection (d) shall be deleted in its entirety.

IN WITNESS WHEREOF, HERITAGE RANCH OWNERS' ASSOCIATION, a California Corporation, has executed this Modification and Amendment to Covenants, Conditions and Restrictions for Parcel Map CO-71-217 this 20th day of August, 1982.

HERITAGE RANCH OWNERS' ASSOCIATION

By: *Thomas A. Chrones*
Thomas A. Chrones - President

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

On August 20, 1982 before me, the undersigned, a Notary Public in and for said State, personally appeared Thomas A. Chrones, known to me to be the President of the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its Covenants, Conditions and Restrictions or a resolution of its Board of Directors.

WITNESS my hand and official seal

Signature *Toni D. Decker*
Toni D. Decker



Doc No: 1999-058461

Rpt No: 00072610

Official Records
San Luis Obispo Co.
Julie L. Rodewald
Recorder
Aug 11, 1999
Time: 14:29

RF -1	10.00
TOTAL	10.00

RECORDING REQUESTED BY:
Heritage Ranch Owners Association

[2]

AND WHEN RECORDED RETURN TO:
Heritage Ranch Owners Association
3945 Heritage Road
Paso Robles, Ca. 93446

MODIFICATION AND AMENDMENT TO
HERITAGE RANCH OWNERS ASSOCIATION
COVENANTS, CONDITIONS & RESTRICTIONS

PARCEL MAP CO-71-217

WHEREAS, on June 1, 1973 a Declaration of Covenants, Conditions and Restrictions for Parcel Map No. CO-71-217 was recorded in Book 1727, Page 361 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, on July 23, 1976 a first amendment to the said Declaration of Covenants, Conditions and Restrictions for Parcel Map No. CO-71-217 was recorded as Document No. 28843 in Book 1911, Page 448 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, on February 19, 1986 a second amendment to the said Declaration of Covenants, Conditions and Restrictions for Parcel Map No. CO-71-217 was recorded as Document No. 9592 in Book 2802, Page No. 354 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, the following amendment has been adopted by an instrument in writing signed by seventy-five percent (75%) of the owners of the lots in Parcel Map No. CO-71-217.

NOW, THEREFORE, HERITAGE RANCH OWNERS ASSOCIATION hereby amends the above-referenced Covenants, Conditions and Restrictions for Parcel Map No. CO-71-217 as follows:

Article VIII, Section 7, last sentence is deleted in its entirety and shall now read: "Corrugated steel roofing may be allowed on roofs of non-residential buildings."

Article IX, Section 7, shall be deleted in its entirety.

IN WITNESS WHEREOF, HERITAGE RANCH OWNERS ASSOCIATION, a California Corporation, has executed this Modification and Amendment to Covenants, Conditions and Restrictions for Parcel Map CO-71-217 on this 6 day of August, 1999.

HERITAGE RANCH OWNERS ASSOCIATION

By: 
Dan Heath, President

ALL-PURPOSE ACKNOWLEDGMENT

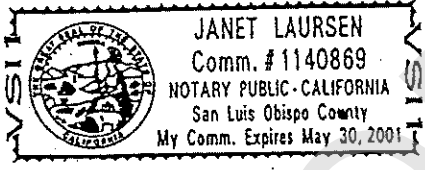
State of California

County of San Luis Obispo } ss.

On Aug 6, 1999 before me, Janet Laursen
(DATE) (NOTARY)

personally appeared Jan Heath
SIGNER(S)

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



WITNESS my hand and official seal.

Janet Laursen
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER

- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

TITLE(S)

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

OTHER

JULIE RODEWALD
San Luis Obispo County - Clerk/Recorder

DAR
12/05/2001
10:15 AM

Recorded at the request of
Public

RECORDING REQUESTED BY:
Heritage Ranch Owners Association

DOC#: 2001094234

Titles: 1 Pages: 4

AND WHEN RECORDED RETURN TO:



Fees	16.00
Taxes	0.00
Others	0.00
PAID	\$16.00

Heritage Ranch Owners Association
3945 Heritage Road
Paso Robles, CA 93446-4184

MODIFICATION AND AMENDMENT TO
HERITAGE RANCH OWNERS ASSOCIATION COVENANTS,
CONDITIONS AND RESTRICTION

Tract CO-71-217

WHEREAS, on June 1, 1973, a Declaration of Covenants, Conditions and Restrictions for Tract CO-71-217 was recorded as Document 17442 in Book 1727, page 361 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, on July 23, 1976, a first amendment to the said Declaration of Covenants, Conditions and Restrictions for Tract CO-71-217 was recorded as Document 28843 in Book 1711, page 448 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, on February 19, 1986, a second amendment to the said Declaration of Covenants, Conditions and Restrictions for Tract CO-71-217 was recorded as Document 9592 in Book 2802, page 354 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, on August 11, 1999, a third amendment to the said Declaration of Covenants, Conditions and Restrictions for Tract CO-71-217 was recorded as Document 1999-058461 of Official Records, County of San Luis Obispo, State of California; and

WHEREAS, the following amendments have been adopted by an instrument in writing signed by the President of the Board of Directors, in accordance with the provisions of California Civil Code §1352.5(a)&(b) and California Government Code §12955(l), which requires the Board of Directors to remove any potentially discriminatory language from this document,

NOW, THEREFORE, HERITAGE RANCH OWNERS ASSOCIATION hereby amends the above-referenced Covenants, Conditions and Restrictions for Tract CO-71-217 as follows:

Article III, Section 2 shall read:

"Section 2. Transfer. The membership held by any owner of a lot shall not be transferred, pledged or alienated in any way, except upon the sale of such lot, and then only to the purchaser of such lot. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the owner of any lot should fail or refuse to transfer the membership registered in the owner's name to the purchaser of such lot, the Association shall have the right to record the transfer upon the books of the Association upon receipt of proof that the purchaser is the owner as reflected in the Official Records of the County Recorder of San Luis Obispo County."

Article III, Section 3(a) shall read:

"Section 3. Voting Rights. The Association shall have two (2) types of voting membership:

Type A. Each owner who is entitled to the rights of membership in the Association, as provided in Section 1 and in the Articles of Incorporation, Bylaws and Rules and Regulations of the Association, shall be entitled to one (1) vote for each lot owned by such owner on all matters properly submitted for vote to the membership of the Association; provided, however, that every owner entitled to vote at any election or removal of the members of the Board of Directors may cumulate votes and give any one or more candidates a number of votes equal to the number of lots owned by the owner multiplied by the number of directors to be elected. The right to vote may not be severed or separated from any lot, and any sale, transfer or conveyance of any lot to a new owner shall operate to transfer the appurtenant vote without the requirements of any express reference thereto."

Article IV, Section 1(c) shall read:

"(c) The right of the Board of Directors to suspend the voting rights and/or use privileges of a member for any period during which any assessment against the member's lot remains unpaid and delinquent, and for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Association, provided that any suspension of such voting rights except for failure to pay assessments, shall be made only by the Board of Directors or a duly appointed committee thereof, after notice and hearing given and held in accordance with the Bylaws of the Association. The Board of Directors shall have the right to suspend a member's voting and use privileges if the Rules and Regulations of the Association have been violated by a lessee or other person who is a delegated user (as such delegation is provided for in Section 2 of this ARTICLE IV), of a member."

Article IV, Section 2 shall read:

"Section 2. Delegation of Use. Any Member may delegate, in accordance with the Bylaws and Rules and Regulations of the Association, the member's right of enjoyment to the Common Areas and the facilities to members of the member's family or tenants who reside on the member's lot."

Article IV, Section 3 shall read:

"Section 3. Waiver of Use. No member may create an exemption from personal liability for assessments duly levied by the Association, nor release the lot owned by the member from the

liens and charges hereof, by waiver of the use and enjoyment of the Common Areas and the facilities thereon, or by abandonment of the member's lot."

Article VIII, Section 4(b) shall read:

"(b) The owner of a lot shall submit the required particular plans to the appropriate Architectural and Environmental Control Committee, subject to such rules, regulations and procedures as are established from time to time by the Board of Directors for the filing and approval or disapproval of plans and specifications by the Architectural and Environmental Control Committees."

Article VIII, Section 5 shall read:

"Section 5. Each lot owner in this Tract shall construct or cause to be constructed upon the owner's lot two off-street parking spaces at such time as the lot is improved with a residential dwelling. Each space shall be of sufficient size to accommodate a standard size automobile and at least one of the parking spaces shall be in the form of a carport, barn or garage constructed in accordance with the rules and regulations of the appropriate Architectural and Environmental Control Committee."

Article IX, Section 2 shall read:

"Section 2. Whenever two or more contiguous lots in the subdivision shall be owned by the same person, such person shall, if so desired, use the said two or more lots as a site for a single dwelling house. The lots constituting the site for such single dwelling house shall be treated as a single lot for the purpose of applying these restrictions to said lots, so long as the lot is being improved with a single dwelling house."

Article XI, Section 7 shall read:

"Section 7. No mobile home, recreation vehicle unit, tent or other temporary living quarters may be placed, maintained or occupied on any lot in this Tract; except that the owner thereof, upon completion and occupancy of the principal dwelling, may store such items on the owner's lot in a reasonable manner, within the areas allowed, as described in Section 6 of this ARTICLE, unless otherwise prohibited in this Declaration."

Article XIV, Section 1 shall read:

"Section 1. The grantee of any lot subject to the coverage of this Declaration by acceptance of a deed conveying title to any lot, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such lot, shall accept such deed or contract upon and subject to each and all of these Conditions, Covenants, Restrictions and/or equitable servitudes and the agreements herein contained, and by such acceptance shall for the grantee, the grantee's heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the lots within this Tract and within the Heritage Ranch Planned Community to keep, observe, comply with and perform said Conditions, Covenants and Restrictions, equitable servitudes and agreements."

IN WITNESS WHEREOF, HERITAGE RANCH OWNERS ASSOCIATION, a California Corporation, has executed these Modifications and Amendments to the Declaration of Covenants, Conditions and Restrictions for Tract CO-71-217 on the 13th day of July, 2001.

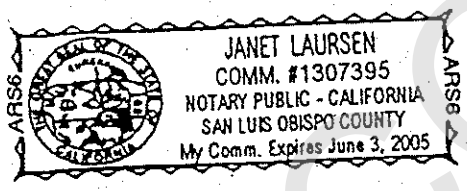
HERITAGE RANCH OWNERS ASSOCIATION

By: R. B. Allison
Ralph B. Allison, President

STATE OF CALIFORNIA)
) ss.
County of San Luis Obispo)

On 11/19, 2001, before me, Janet Laurson, Notary Public, personally appeared Ralph B. Allison, 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.

Janet Laurson



NOTARY OFFICIAL