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Taxes	0.00
Others	7.00
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Castlerock Development  
445 Green Gate Road  
San Luis Obispo, CA 93401

SECOND AMENDED AND RESTATED  
DECLARATION OF COVENANTS ESTABLISHING  
MAINTENANCE, REPAIR AND IMPROVEMENT OBLIGATIONS  
FOR  
**OAK RIDGE ESTATES AT 3F MEADOWS**  
ATASCADERO, CA (ATAL 00-192)

THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS ESTABLISHING MAINTENANCE, REPAIR AND IMPROVEMENT OBLIGATIONS FOR OAK RIDGE ESTATES AT 3F MEADOWS, ATASCADERO, CA (ATAL 00-192) made this 15th day of December, 2012 by K&M Holding Corporation, a California Corporation, and Castlerock Development, a California Corporation (hereinafter collectively referred to as "Declarant") and constitutes the second amendment and restatement of the Declaration of Covenants Establishing Maintenance, Repair and Improvement Obligations for Oak Ridge Estates at 3F Meadows, Atascadero, CA (ATAL 00-192) recorded in official records of San Luis Obispo County on February 27, 2003 as Document No. 2003019456, and is made with regard to the following facts.

RECITALS

- a. Whereas, that certain Covenants, Conditions, And Restrictions ("CC&Rs") For Oak Ridge Estates At 3F Meadows Atascadero, CA (ATAL 00-192) as recorded in official records of San Luis Obispo County on February 27, 2003 as Document No. 2003019455 was subsequently amended and restated by that certain Second Amended and Restated Declaration Of Covenants Conditions, And Restrictions ("CC&RS") For Oak

Ridge Estates At 3F Meadows, Atascadero, CA (ATAL 00-192), as recorded in official records of San Luis Obispo County on September 3, 2004 as Document No. 2004078839; and

- b. Whereas, Section 16 of Article IX of the CC&Rs provides for owners' maintenance, repair and improvement obligations; and
- c. Whereas, that certain Declaration Of Covenants Establishing Maintenance, Repair And Improvement Obligations For Oak Ridge Estates At 3F Meadows Atascadero, CA (ATAL 00-192) as recorded in official records of San Luis Obispo County on February 27, 2003 as Document No. 2003019456 was subsequently amended and restated by that certain First Amended and Restated Declaration Of Covenants Establishing Maintenance, Repair And Improvement Obligations For Oak Ridge Estates At 3F Meadows, Atascadero, CA (ATAL 00-192), as recorded in official records of San Luis Obispo County on July 31, 2003 as Document No. 2003084986, (hereinafter referred to as the "Maintenance Declaration"); and
- d. Whereas, CC&Rs Section 1 of Article VII- Amendment/Revocation allows for amendments to the CC&Rs, and by reference, the Maintenance Declaration, after the first conveyance of a Parcel upon the written approval of the then record Owners of at least fifty-one percent (51%) of the Parcels; and
- e. Whereas, Declarant currently owns more than fifty-one percent (51%) of those certain parcels that are part of Oak Ridge Estates at 3F Meadows, Atascadero, CA (ATAL 00-192) as shown on the map thereof recorded February 27, 2003 in Book 58, Page 1-22 of Parcel Maps in the Office of the County Recorder of said County (hereinafter "Parcels" collectively, or "Parcel" individually); and
- f. Whereas, Declarant now wishes to amend and restate the Maintenance Declaration as provided hereinafter, in conjunction with the First Amendment To The Second Amended And Restated Covenants, Conditions, And Restrictions For Oak Ridge Estates At 3F Meadows, Atascadero, CA (ATAL 00-192) recorded concurrently herewith, in the office of the County Recorder of San Luis Obispo County, CA.

NOW, THEREFORE, the following "Second Amended and Restated Declaration Of Covenants Establishing Maintenance, Repair And Improvement Obligations For Oak Ridge Estates At 3F Meadows, Atascadero, CA (ATAL 00-192)" shall supersede and take the place of the existing "First Amended and Restated Declaration Of Covenants Establishing Maintenance, Repair And Improvement Obligations For Oak Ridge Estates At 3F Meadows, Atascadero, CA (ATAL 00-192)". Declarant hereby covenants, agrees and declares that all of its interest, as the same may from time to time appear, in the Parcels shall be held and conveyed subject to the following covenants that are hereby declared to be for the benefit of said interest in the Parcels, and the owner of said interest, their successors and assigns. These covenants shall run with said interest and shall be binding upon all parties having or acquiring any right or title in said interest or any part thereof, and shall be for the benefit of each owner thereof and are imposed upon each of said interest and every part thereof and all rights, and titles therein as a servitude in favor of each and all other said interest as the dominant tenement or tenements and shall be interpreted to most fully achieve the above enumerated purposes of the Parcels.

1) Definitions. Capitalized terms used in this Maintenance Declaration shall have the meanings set forth below. Any capitalized term(s) that are not defined below shall have the meaning given to them in Article I of the Second Amended And Restated Covenants, Conditions and Restrictions ("CC&Rs") For Oak Ridge Estates At 3F Meadows, Atascadero, CA (ATAL 00-192). If any capitalized term(s) are defined both below and in the CC&Rs, the meaning given below shall apply to all uses of the term(s) within this Maintenance Declaration.

1.1. Additional Assessment. Means the amount owed by each Assessed Lot Owner in addition to the Annual Assessment. Additional Assessments are used to cover costs of Unscheduled Maintenance and Repairs and/or Annual Maintenance and Repairs that exceed available monies in the Maintenance and Repair Account.

1.1. Annual Assessment. Each Assessed Lot Owner's annual obligation to the funding of the Maintenance and Repair Account. An initial Annual Assessment is due and payable by all Assessed Lot Owners within 45 days of the recording of this Maintenance Declaration. The initial Annual Assessment is established as \$600<sup>1</sup>, prorated based on the month the Maintenance Declaration is recorded during the assessment year, which runs from July 1<sup>st</sup> to June 30<sup>th</sup>. For example, if the Maintenance Declaration is recorded on any day in the month of July, the initial assessment would be \$600 (12/12ths of 600); if the Maintenance Declaration is recorded on any day in the month of December, the initial assessment would be \$350 (7/12ths of 600); if the Maintenance Declaration is recorded on any day in the month of June, the initial assessment would be \$50 (1/12<sup>th</sup> of 600). The full Annual Assessment of \$600 shall thereafter be due and payable on the next 1st day of July and every anniversary for that date thereafter. In addition, the initial Annual Assessment shall be adjusted annually commencing on the first following 30<sup>th</sup> day of July, and every anniversary for that date thereafter (each such date an "Annual Assessment Adjustment Date") as described below:

1.1.1. The Annual Assessment amount shall be adjusted upward by the amount of the Consumer Price Index for all Urban Consumers ("CPI-U"), published by the U.S. Department of Labor, Bureau of Labor Statistics, or any successor to that index, for the twelve most recent months for which dates are then available. In the event the CPI is a negative value, the adjustment factor shall be zero (0).

1.1.2. The CPI-U used in the above adjustment shall be for the San Francisco- Oakland- San Jose selected local area. Reports for the San Francisco- Oakland- San Jose area are published by the Western Information Office of the Bureau of Labor Statistics on a bi-monthly basis and are available for review and download at <http://www.bls.gov/ro9/cpisanf.htm>.

1.1.3. The base CPI-U month/year shall be June 2012.

1.1.4. The RMC may request a Vote of the Declarant and the Assessed Lot Owners on whether to increase the Annual Assessment beyond the CPI-U, or whether to not increase the Annual Assessment at all, regardless of the CPI-U, or whether to decrease the Annual Assessment, based on its determination that doing so would be in the overall best interest of the Declarant and the Assessed Lot Owners.

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<sup>1</sup> See attached Exhibit A for breakdown of estimated Maintenance and Repair costs.

1.2. Annual Maintenance and Repairs. The Maintenance and Repairs to be performed on the Public Roads at Oak Ridge Estates in a particular year. The determination of specific Maintenance and Repairs to be performed in a particular year is based on a review, evaluation and appraisal of the conditions of the Public Roads by the Road Maintenance Committee and may vary from year to year.

1.3. Assessable Parcels. Refers specifically to Residential Parcels 1 through 10 inclusive, and 12 through 108, inclusive, of Oak Ridge Estates. There are one hundred and seven (107) total Assessable Parcels. Open Space Parcels A, B and C and Residential Parcels 109, 110, 111 and 112 of Oak Ridge Estates shall have no responsibility to contribute to the Maintenance and Repairs of the Public Roads at Oak Ridge Estates. The Open Space Parcels do not have any associated road uses, and Residential Parcels 109, 110, 111 and 112 have separate access off of U.S. Highway 41 and do not use any of the Public Roads within Oak Ridge Estates.

1.4. Assessed Lot. Means an Assessable Parcel within Oak Ridge Estates that is subject to Annual Assessments and Additional Assessments.

1.4.1. Assessable Parcels 1-8, 12-16, 18-21, 75-79 and 98-99, inclusive, are initially established as Assessed Lots within Oak Ridge Estates and are therefore immediately subject to Annual Assessments and Additional Assessments, including the initial \$600 Annual Assessment described in Section 1.1 above.

1.4.2. Assessable Parcels 9-10, 17, 22-74, 80-97 and 100-108, inclusive, are not initially subject to Annual Assessments or Additional Assessments. Any of these Assessable Parcels shall become an Assessed Lot subject to Annual Assessments and Additional Assessments at such time as either of the following occur:

- 1) The Assessable Parcel is sold by the Declarant to any third-party person or entity, except if the sale is associated with a succession and/or assignment of Declarant's Assessable Parcels as provided for in Section 1.6 below. If the sale is not associated with a succession and/or assignment of Declarant's Assessable Parcels as provided for in Section 1.6 below, the Assessable Parcel would become an Assessed Lot and therefore subject to Annual Assessments and/or Additional Assessments on the date escrow closes on the purchase/sale.
- 2) The Assessable Parcel is issued a home construction building permit "Final" by the City of Atascadero Building Department. In this case, the Assessable Parcel would become an Assessed Lot and subject to Annual Assessments and/or Additional Assessments on the date the building permit "Final" inspection is signed off by the City of Atascadero Building Department, regardless of its ownership status.

1.5. Assessed Lot Owner. Any person, persons or entity who owns a fee interest in an Assessed Lot or Assessed Lots at Oak Ridge Estates.

1.6. Declarant. K&M Holding Corporation, a California Corporation and Castlerock Development, a California Corporation, collectively and individually, and their successors and assigns.

1.7. Legal Fees and Costs. The fees charged and other expenses incurred in connection with any legal action taken, or other legal consultation or work provided, pertaining to the Public Roads at Oak Ridge Estates.

1.8. Maintenance and Repairs. The work necessary to maintain the Public Roads at Oak Ridge Estates in good condition. Maintenance and Repairs include, but are not limited to, the following work:

1.8.1. Roads.

1.8.1.1. Filling potholes, repairing cracks, shoulders and curbs

1.8.1.2. Repairing and resurfacing of roadbeds;

1.8.1.3. Maintaining signs, markers and striping;

1.8.1.4. Debris removal and street sweeping; and

1.8.1.5. Fire fuel management along shoulders.

1.8.2. Drainage. For the purposes of Sections 1.8.2.1, 1.8.2.2, and 1.8.2.3 below, the term "adjacent to" shall mean located within the City's Right-Of-Way boundary and/or within maintenance easements.

1.8.2.1. Repairing and maintaining drainage systems and structures adjacent to roads;

1.8.2.2. Maintaining retaining walls adjacent to roads; and

1.8.2.3. Maintaining slopes adjacent to roads.

1.8.3. Other. Other work, as determined by the Road Maintenance Committee, to be reasonably necessary or proper to evaluate, repair, maintain and preserve the Public Roads at Oak Ridge Estates. Maintenance and Repairs also includes administrative and management costs, professional and consulting services, legal work, insurance and miscellaneous expenses pertaining to the Public Roads at Oak Ridge Estates.

1.9. Maintenance and Repair Account. All funds collected from Assessed Lot Owners, either as Annual Assessments or Additional Assessments, shall together be deposited in a banking account (the "Maintenance and Repair Account"). The Maintenance and Repair Account is to be a separate and distinct account. Maintenance and Repair Account funds shall only be used for the purposes described in this Maintenance Declaration.

1.10. Majority Vote. Means approval by fifty-one percent (51%) or more of the Votes actually cast in a Vote.

1.11. Miscellaneous Expenses. The ongoing expenses of the Road Maintenance Committee for supplies, postage and other operating expenses, including professional and consulting services, desirable or necessary for the Road Maintenance Committee to perform its functions and responsibilities.

1.12. Oak Ridge Estates. Residential Parcels 1 through 10, inclusive, 12 through 112, inclusive, and Open Space Parcels A, B and C of Parcel Map ATAL 00-192 in the City of Atascadero, County of San Luis Obispo, State of California, according to the map recorded February 27, 2003 in Book 58, Pages 1-22 of Parcel Maps, in the Office of the County Recorder of said County.

- 1.13. Public Roads. The following roads within the project boundaries of Oak Ridge Estates, as delineated on sheets 9 through 22, inclusive, of Parcel Map ATAL 00-192: San Marcos Road, Cenegal Road, Cabazon Road, Puente Road, Madrone Road, San Cayetano Road, San Marcos Court, San Felipe Court, Escabroso Court, Pecos Court, Rojo Court, and Paso Verde Court. (Note: a portion of San Cayetano Road has subsequently been renamed "San Marcos Road" by the City of Atascadero.)
- 1.14. Representative. A person duly elected or selected to serve on the Road Maintenance Committee.
- 1.15. Road Maintenance Committee ("RMC"). The three (3) member committee which, pursuant to this Maintenance Declaration, is responsible for administering and overseeing the Maintenance and Repairs of the Public Roads at Oak Ridge Estates.
- 1.16. Road Maintenance Committee Secretary. The Representative selected to perform certain tasks for the RMC as described in Section 2.8 below and elsewhere in this Maintenance Declaration.
- 1.17. Send, Sending, Sent or Notify. In reference to the responsibility of the RMC to send statements and other correspondence to the Declarant and the Assessed Lot Owners, shall mean to mail such material to each Declarant and Assessed Lot Owner at the street address of his or her Assessed Lot, or at such other address as the Declarant and/or Assessed Lot Owner may, from time to time, designate to the RMC in writing.
- 1.18. Unscheduled Maintenance and Repairs. Maintenance and Repairs that:
- 1.18.1. The RMC had not planned or budgeted for in the current Annual Maintenance and Repairs, including "emergency" repairs; and
  - 1.18.2. Are determined by the RMC to be required to be performed during the current year.
- 1.19. Vote. Consent or approval of an Assessed Lot Owner and/or the Declarant, whether written or oral, whether in person or by mail, facsimile, email or other electronic means.
- 1.20. Voting Interest. The number of Votes that may be cast pursuant to this Maintenance Declaration. Each Assessed Lot Owner shall be entitled to one (1) Vote for each Assessed Lot in which he or she owns an interest. If more than one (1) Assessed Lot Owner owns an interest in the Assessed Lot, only one (1) Vote may be cast with respect to that Assessed Lot. The Declarant may cast one Vote for each Assessable Parcel and/or Assessed Lot owned by him or her. The total number of Votes that may be cast for any particular matter in question shall not exceed one hundred and seven (107), representing the maximum number of Assessable Parcels/Assessed Lots at Oak Ridge Estates.
- 1.21. Voting- Joint Assessed Lot Ownership. The Vote that is attributed to each Assessed Lot may not be cast on a fractional basis. If the Assessed Lot has more than one (1) Assessed Lot Owner and the Assessed Lot Owners are unable to agree as to how the Vote should be cast, the Vote shall be forfeited on the matter in question. If one (1) Assessed Lot Owner cast the Vote attributed to an Assessed Lot, the Vote shall consecutively bind all of the Assessed Lot Owners of that Assessed Lot. If

more than one (1) Assessed Lot Owner cast the Vote attributed to an Assessed Lot such that more than one (1) cumulative vote is cast for that Assessed Lot, the Votes cast by such Assessed Lot Owners shall not be counted and shall be considered void.

2) Road Maintenance Committee.

2.1. Responsibilities of the Road Maintenance Committee (RMC). Representatives shall be elected (or appointed) to serve on the RMC pursuant to Section 2.3 below. The RMC shall be responsible for managing, contracting and making decisions concerning Maintenance and Repairs of the Public Roads at Oak Ridge Estates as described hereinafter.

2.2. Limitations on the RMC. Notwithstanding the foregoing, the RMC shall not take any of the following actions without approval of a Majority Vote:

- 2.2.1. Any action that would make it impossible for the RMC to carry out its responsibilities;
- 2.2.2. Incur any obligation for Annual Maintenance and Repairs and/or Unscheduled Maintenance and Repairs in excess of the Annual Maintenance and Repairs "Cost Ceiling", as defined in Section 4.2 hereafter;
- 2.2.3. Change the principal responsibilities of the RMC;
- 2.2.4. Commence or settle a lawsuit on behalf of the Assessed Lot Owners, except that it may commence or settle a small claims court action; or
- 2.2.5. Agree to any settlement of any lawsuit or claim pertaining to the Public Roads.

2.3. Selection of the RMC. Three (3) Representatives shall be elected or appointed to serve on the RMC as follows:

- 2.3.1. So long as the Declarant owns fifty-one percent (51%) or more of the Assessable Parcels in Oak Ridge Estates, Declarant may appoint two (2) persons to serve as Representatives, whether or not any of those persons are an Assessed Lot Owner. The Assessed Lot Owners, by a Majority Vote, shall elect one (1) person to serve as the third (3<sup>rd</sup>) Representative of the RMC, whether or not that person is an Assessed Lot Owner.
- 2.3.2. At such time as the Declarant does not own at least fifty-one percent (51%) of the Assessable Parcels in Oak Ridge Estates, the Declarant, together with the Assessed Lot Owners, by a Majority Vote, shall elect three (3) persons to serve as Representatives of the RMC, whether or not any of those persons are an Assessed Lot Owner. The Declarant may exercise one (1) vote for each Assessable Parcel and one (1) vote for each Assessed Lot owned at the time of the Vote. Each and every Declarant vote shall be counted along with any other Assessed Lot Owner votes to determine the Majority Vote results.

2.4. Term of Representatives. Each Representative shall serve on the RMC until the occurrence of the third annual meeting after he or she was elected, except as follows:

- 2.4.1. Any Representative may resign at any time by giving written notice to the RMC;
- 2.4.2. The Assessed Lot Owners may recall any Representative(s) elected by them, without cause, by a Majority Vote of the Assessed Lot Owners; and

2.4.3. The Declarant may recall any Representative(s) appointed by it, without cause, at any time.

2.5. Replacement of Representatives. When a Representative's service terminates before the end of the three-year term for which he or she was elected/appointed, that Representative's replacement shall be elected/appointed to serve as described in Section 2.3. The Representative's replacement shall serve the remainder of the former Representative's term.

2.6. Annual Meeting of the RMC. The RMC shall meet annually starting in June of the calendar year following the creation of the RMC. The Declarant and all Assessed Lot Owners shall be given at least thirty (30) days prior written notice of the first annual meeting and of each subsequent annual meeting by the RMC or its agent/representative. The RMC shall choose the location, date and time of the first annual meeting and of each subsequent annual meeting. The Declarant and all Assessed Lot Owners shall be entitled to attend annual meetings of the RMC and to cast his or her Vote on any matter set forth by the RMC at such annual meeting. The agenda need not be sent to Declarant or Assessed Lot Owners in advance of any annual meetings. The agenda for each annual meeting of the RMC shall be determined by the RMC or its agent/representative and shall include, but not be limited to the following:

- 2.6.1. The election of Representatives as described in Section 2.3, if any term has ended or if a vacancy exists for any Assessed Lot Owner-elected Representative;
- 2.6.2. A presentation by the RMC of the status of the Maintenance and Repairs;
- 2.6.3. The opportunity for the Declarant and/or Assessed Lot Owners to ask questions of the RMC and for the RMC to respond to such questions to the extent they are able and willing; and
- 2.6.4. Other business that is properly brought before the RMC.

2.7. Other Meetings. The RMC shall hold other meetings at times and places to be fixed by the RMC. Such meetings shall be held at the discretion of the RMC, with or without any notice to the Declarant or Assessed Lot Owners. However, no Vote for an action listed in Section 2.2 above may be held at any meeting of the RMC unless notice of such meeting was given to the Declarant and the Assessed Lot Owners entitled to Vote thereon at least thirty (30) days prior to the date of such meeting. This Section shall not be construed to prohibit RMC Representatives from voting amongst themselves with respect to carrying out their duties as defined elsewhere within this Maintenance Declaration.

2.8. RMC Secretary; Communications With the RMC; Maintenance of Ledgers and Documents. The Representatives shall select one (1) Representative among them to act as RMC Secretary. The RMC Secretary shall keep and maintain minutes of RMC meetings and all ledgers and documents required to be maintained by the RMC, and shall be responsible for sending, receiving and managing copies of correspondence involving the RMC. Once selected, the RMC Secretary shall notify the Declarant and Assessed Lot Owners that all correspondence from them to the RMC should thereafter be sent to the RMC Secretary at the address or addresses designated by the RMC Secretary.

2.8.1. The RMC may contract for the services of a third-party management company to perform the duties of the RMC Secretary described here and elsewhere in this document. In this case the RMC Secretary shall act as the liaison between the RMC and the third-party management



company. Any third-party management company's management fees shall be paid out of the Maintenance and Repair Account as an ordinary annual expense.

3) Allocation of Costs for Maintenance and Repairs. Each Assessed Lot Owner shall be responsible for paying a proportionate share of all costs associated with all Maintenance and Repairs, including Unscheduled Maintenance and Repairs, of all Public Roads within Oak Ridge Estates as described below.

3.1. Annual Assessment. Assessed Lot Owners will pay a fixed Annual Assessment per Assessed Lot for Maintenance and Repairs at Oak Ridge Estates (see definition of Annual Assessment).

3.2. Additional Assessments. Additional Assessments will be paid by Assessed Lot Owners at a proportionate share equal to the number of Assessed Lots owned by an Assessed Lot Owner divided by the total number of Assessed Lots at the time of the Additional Assessment. For example, assuming there is an Additional Assessment of \$5,000 and also assuming there are a total of 50 Assessed Lots at the time of the Additional Assessment, each Assessed Lot would incur an Additional Assessment fee of \$100 ( $\$5,000 \div 50$  Assessed Lots = \$100/Assessed Lot). In this example, an Assessed Lot Owner with two (2) Assessed Lots would incur an Additional Assessment fee of \$200 ( $\$100/\text{Assessed Lot} \times 2$  Assessed Lots = \$200), and so on. The maximum number of Assessed Lots is one hundred and seven (107).

4) Annual Maintenance and Repairs.

4.1. Estimates. In or about May of each year the RMC shall determine the Annual Maintenance and Repair needs for that year by visually inspecting the Public Roads for needed Maintenance and Repair work (as defined in Section 1.8, above) within Oak Ridge Estates and reviewing previous repair records. The RMC shall then solicit bids and contract for the Annual Maintenance and Repairs for that year. The RMC shall make a good faith effort to schedule Annual Maintenance and Repairs to be completed by the beginning of the "rainy season" for that year, generally on or about October 15th.

4.2. Annual Maintenance and Repairs Cost Ceiling. The maximum amount of money that can be spent in any one year for Annual Maintenance and Repairs without a Vote is known as the "Cost Ceiling". The Cost Ceiling for Maintenance and Repairs is initially established at \$75,000. If the cost of the Annual Maintenance and Repairs does not exceed the Cost Ceiling, the RMC need not seek a Vote before contracting for such Maintenance and Repairs. If, however, the cost of the Annual Maintenance and Repairs are estimated to exceed the Cost Ceiling, the RMC shall so advise the Declarant and the Assessed Lot Owners and request a Vote on whether or not to authorize the expenditures in excess of the Cost Ceiling before contracting for such Maintenance and Repairs in excess of the Cost Ceiling.

4.2.1. The value of the Cost Ceiling shall be adjusted annually commencing on the 30<sup>th</sup> day of July, and every anniversary for that date thereafter (each such date an "Cost Ceiling Adjustment Date") as described below:

4.2.2. The Cost Ceiling shall be adjusted upward by the amount of the Consumer Price Index for all Urban Consumers ("CPI-U"), published by the U.S. Department of Labor, Bureau of Labor Statistics, or any successor to that index, for the twelve most recent months for which dates are then available. In the event the CPI is a negative value, the adjustment factor shall be zero (0).

4.2.3. The CPI-U used in the above adjustment shall be for the San Francisco- Oakland- San Jose selected local area. Reports for the San Francisco- Oakland- San Jose area are published by the

Western Information Office of the Bureau of Labor Statistics on a bi-monthly basis and are available for review and download at <http://www.bls.gov/ro9/cpisanf.htm>.

4.2.4. The base CPI-U month/year shall be September 2012.

4.3. Annual Maintenance and Repair Records. The RMC Secretary shall note on a ledger the Annual Maintenance and Repairs that are attributable and chargeable to the Maintenance and Repair Account. The RMC Secretary shall maintain the ledger, which shall be open for inspection at reasonable times upon written request by each Assessed Lot Owner and the Declarant or their authorized representative(s). The ledger shall also show for each Assessed Lot, the name and address of the Assessed Lot Owner of record thereof, and the amount of such sums that have been paid to the Maintenance and Repair Account, either as Annual Assessments or Additional assessments, as well as those Assessments that remain outstanding.

4.4. Notification of and Voting on Annual Maintenance and Repairs Exceeding the Cost Ceiling. If the RMC determines that the cost for the Annual Maintenance and Repairs will exceed the Cost Ceiling, the RMC Secretary shall Send to the Assessed Lot Owners a statement of the estimated cost for the Annual Maintenance and Repairs and a request to Vote on the amount in excess of the Cost Ceiling. The Vote may take place at a meeting of the RMC or by written approval on a voting form included with the statement. If a meeting is called for the Vote, the statement will include the meeting's date, time and location, as determined by the RMC. However, any meeting that may be called by the RMC for the Vote shall not be sooner than thirty (30) days after the statement is Sent to the Assessed Lot Owners. If written approval on a Voting form is included with the statement, Assessed Lot Owners shall vote and return their voting forms to the RMC Secretary by hand delivery, mail, facsimile or email.

4.4.1. If the RMC receives a Majority Vote of the Assessed Lot Owners approving the additional costs, whether at a meeting or by voting form, it shall immediately proceed with contracting for the Annual Maintenance and Repairs, including the amount in excess of the Cost Ceiling.

4.4.2. If the RMC **does not** receive a Majority Vote of the Assessed Lot Owners approving the additional costs, whether at a meeting or by voting form, it shall proceed with contracting for the Annual Maintenance and Repairs up to, but not exceeding, the Cost Ceiling.

4.5. Notification of and Voting on Need for Additional Assessment for Annual Maintenance and Repairs. If the RMC determines that the cost for the Annual Maintenance and Repairs will exceed the amount contained in the Maintenance and Repair Account, the RMC Secretary shall Send to the Assessed Lot Owners a statement of the estimated cost for the Maintenance and Repairs and a request to Vote on the amount in excess of the Maintenance and Repair Account. The Vote may be combined with a Vote to approve Maintenance and Repairs in excess of the Cost Ceiling, as described in Section 4.4, above. The Vote may take place at a meeting of the RMC or by written approval on a Voting form included with the statement. If a meeting is called for the Vote, the statement will include the meeting's date, time and location, as determined by the RMC. However, any meeting that may be called by the RMC for the Vote shall not be sooner than thirty (30) days after the statement is Sent to the Assessed Lot Owners. If written approval on a Voting form is included with the statement, Assessed Lot Owners

shall Vote and return their Voting forms to the RMC Secretary by hand delivery, mail, facsimile or email.

4.5.1. If the RMC receives a Majority Vote of the Assessed Lot Owners approving the additional costs, whether at a meeting or by Voting form, the RMC Secretary shall Send an Additional Assessment statement to each Assessed Lot Owner as soon as possible after such approval, which shall include such Assessed Lot Owner's allotted Additional Assessment obligation for that year's Annual Maintenance and Repairs based on the amount of the Annual Maintenance and Repairs in excess of the Maintenance and Repair Account. The Assessed Lot Owner's allotted Additional Assessment amount shall be computed in accordance with Section 3- Allocation of Costs for Maintenance and Repairs.

4.5.2. If the RMC **does not** receive a Majority Vote of the Assessed Lot Owners approving the additional costs, whether at a meeting or by Voting form, it shall proceed with contracting for the Annual Maintenance and Repairs up to, but not exceeding, the amount contained in the Maintenance and Repair Account.

4.6. Payment of Additional Assessment for Annual Maintenance and Repairs. The Additional Assessment statement Sent pursuant to Section 4.5.1 above shall be due and payable within forty-five (45) days of the date it is Sent to the Assessed Lot Owners, or on such later date or dates as the RMC may, from time to time, establish.

5) Unscheduled Maintenance and Repairs.

5.1. Estimates. The RMC shall obtain estimates and arrange for Unscheduled Maintenance and Repairs, including "emergency" repairs, as they deem necessary. Generally, the RMC shall solicit bids and contract for any Unscheduled Maintenance and Repairs as it would for Annual Maintenance and Repairs. However, if, in the sole determination of the RMC, the Unscheduled Maintenance and Repairs constitute an "emergency", the RMC may skip the solicitation of bids, and proceed directly to contracting for the maintenance and repair work. Costs for Unscheduled Maintenance and Repairs shall be paid for with funds from the Maintenance and Repair Account.

5.2. Unscheduled Maintenance and Repair Records. The RMC Secretary shall maintain records of all Unscheduled Maintenance and Repairs in accordance with the provisions of Section 4.3- Annual Maintenance and Repair Records, above.

5.3. Notification of and Voting on Unscheduled Maintenance and Repairs Exceeding the Cost Ceiling. If the RMC determines that the cost for the Unscheduled Maintenance and Repairs, by itself or in combination with the cost of the current Annual Maintenance and Repairs, will exceed the Cost Ceiling, the RMC Secretary shall proceed in accordance with Section 4.4- Notification of and Voting on Annual Maintenance and Repairs Exceeding the Cost Ceiling. The RMC shall also proceed in accordance with Sections 4.4.1 or 4.4.2, as determined by the outcome of the Vote described in Section 4.4.

5.4. Notification of and Voting on Need for Additional Assessment for Unscheduled Maintenance and Repairs. If the RMC determines that the cost for the Unscheduled Maintenance and Repairs will exceed the amount contained in the Maintenance and Repair Account, by itself or in combination with the cost of the current Annual Maintenance and Repairs, the RMC Secretary shall proceed in accordance with Section 4.5- Notification of and Voting on Need for Additional Assessment for Annual Maintenance and Repairs. The RMC shall also proceed in accordance with Sections 4.5.1 or 4.5.2, as determined by the outcome of the Vote described in Section 4.5.

5.5. Payment of Additional Assessment for Unscheduled Maintenance and Repairs. The Additional Assessment statement Sent pursuant to Section 5.4 above shall be due and payable within forty five (45) days of the date it is Sent to the Assessed Lot Owners, or on such later date or dates as the RMC may, from time to time, establish.

6) Legal Matters.

6.1. Estimates and Statements for Legal Fees and Costs. If the RMC, upon the Majority Vote of the Assessed Lot Owners in accordance with Sections 2.2.4 and/or 2.2.5 above, hires legal counsel for any lawsuit pertaining to the Public Roads at Oak Ridge Estates, the RMC shall initially estimate the amount of the anticipated Legal Fees and Costs for the first three months of such legal work, including any retainer fee. From time to time thereafter, and as needed, the RMC shall make supplemental estimates for additional Legal Fees and Costs that will be necessary to fund such legal work. All Additional Assessment collected for Legal Fees and Costs shall be deposited with counsel the RMC hires, to be held in such counsel's trust fund until applied for the payment of legal bills; provided that at any time the RMC may hold in an account in the name of the RMC any such sums that it reasonably believes will be paid to counsel, or refunded to the Assessed Lot Owners, within sixty (60) days.

6.2. Mailing Statements for legal Fees and Costs. Within thirty (30) days of each estimate, the RMC Secretary shall Send each Assessed Lot Owner an Additional Assessment statement of the amount of such Assessed Lot Owner's allotted payment obligation for Legal fees and Costs.

6.3. Records of Legal Action and Other Legal Matters. The RMC shall maintain copies of all correspondence, records and bills received from legal counsel engaged by them for so long as any such matter is being actively pursued by such counsel and for a period for four (4) years thereafter. All such records shall be open for inspection at reasonable times upon written request by each Assessed Lot Owner and the Declarant or his or her authorized representative(s), except that the RMC may deny access to such records to any Assessed Lot Owner who is, or in the judgment of the RMC or it's counsel, is likely to become an adverse party to the interest represented by the RMC during the pendency of such matter(s).

6.4. Payment of Additional Assessment for Legal Fees and Costs. The Additional Assessment statements Sent pursuant to Section 6.2 above shall be due and payable within forty five (45) days of the date they are Sent to the Assessed Lot Owners, or on such later date or dates as the RMC may, from time to time, establish.

6.5. Representative Actions. Any legal action pertaining to the Public Roads at Oak Ridge Estates that the Assessed Lot Owners authorize may only be brought in the name of the RMC as the representative of the interest of the Assessed Lot Owners.

7) Insurance. The RMC is authorized to purchase the following types of insurance, if available, to be paid for as part of the ordinary annual expenses from the Maintenance and Repairs Account.

7.1. General Liability Insurance. The RMC is authorized to acquire insurance indemnifying the Assessed Lot Owners against liability and related legal expenses for injuries and/or damages allegedly arising from the use of the Public Roads at Oak Ridge Estates.

7.2. Directors and Officers Insurance. The RMC is authorized to acquire insurance indemnifying the RMC and its Representatives, either individually or collectively, against any and all liability and legal expenses for any and all claims of misfeasance or malfeasance against them.

8) Use of Funds Received. The RMC shall use the funds received pursuant to this Maintenance Declaration only for the funds' intended purposes. The RMC shall keep an account of all funds it receives and of all disbursements made therefrom.

9) Failure to pay Annual or Additional Assessments. Should Any Assessed Lot Owner fail to pay any Annual Assessment or Additional Assessment (hereafter collectively referred to as "Assessment"), within the time frames specified hereinbefore (generally forty five [45] days) then the RMC may, in addition to exercising any other available remedy, Notify such Assessed Lot Owner that payment of one or more Assessments is delinquent and that failure to pay the delinquent Assessment in full within ten (10) days after the date such notice is Sent (hereafter known as the "Delinquency Date") will be subject to:

- 1) Daily interest on such Assessment amount at an annual percentage rate of ten percent (10%), with daily compounding (0.027% daily rate) from the original date due; and
- 2) A delinquency service fee of either seventy five dollars (\$75) or ten percent (10%) of the delinquent Assessment amount, whichever is greater.

In addition to the above interest and fees, for each payment from an Assessed Lot Owner that a bank returns for any reason, the Assessed Lot Owner must pay:

- 1) All bank charges assessed against the RMC for the returned payment; and
- 2) A returned payment fee of fifty dollars (\$50).

If the Assessed Lot Owner has not paid the delinquent Assessment amount by the Delinquency Date, interest will accrue daily on such amount (including the delinquency service fee) from such date at the rate stated above until the delinquent Assessment amount, delinquency service fee, and accrued interest thereon is paid in full. If the Assessed Lot Owner has not paid the delinquent Assessment amount by the Delinquency Date, in addition to the accrual of interest and the delinquency service fee, the RMC may, at its discretion, file a small claims action, or file a property lien. The RMC may also bring an action at law (lawsuit)

against the delinquent Assessed Lot Owner in the manner now or hereafter provided in California Civil Code. There shall be added to the delinquent Assessment amount, delinquency fee and interest thereon all costs and expenses, including reasonable attorney fees incurred by the RMC in collecting the delinquent Assessment. Nothing contained in this Section shall be construed as limiting the remedies available to the RMC, the Declarant, or the Assessed Lot Owners for default by any Assessed Lot Owner hereunder.

10. Effect. This Maintenance Declaration shall remain in effect until such time as one of the following occurs, and whichever of these occurs first shall result in the termination of this Maintenance Declaration:
  - 10.1. The Atascadero City Council accepts the dedications and maintenance of the Public Roads within Oak Ridge Estates; or
  - 10.2. A Maintenance Assessment District, Benefit Assessment District, or similarly-named Assessment District for the Public Roads within Oak Ridge Estates is established and subsequently approved by the Atascadero City Council; or
  - 10.3. Another comparable Declarant and/or Lot Owner plan or method to address continued maintenance for the Public Roads within Oak Ridge Estates is approved by the City Engineer and Community Development Director.
  
11. Violations. In the event of the violation of any of the above covenants or attempt to violate any of the above covenants prior to their termination as herein above set forth, it shall be lawful for the RMC, and/or the Declarant, and/or the Assessed Lot Owner or Assessed Lot Owners to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any of the above said conditions, and either to prevent him/her/them from doing so or to recover damages for such violation.

### Exhibit A- Breakdown of Estimated Maintenance and Repairs

Estimate breakdown is based on all Public Roads within Oak Ridge Estates being completed and all 107 Assessed Lots contributing to Costs.

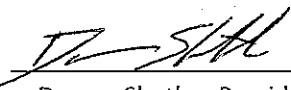
	Description of Maintenance	Frequency of Maintenance	Average Annual Cost (Estimated)
<b>Roads</b>			
	Filling potholes & repairing cracks, shoulders and curbs	Annually- as needed	\$3,500
	Repairing and resurfacing of roadbeds	Semi-Annually- as needed	\$19,000
	Maintaining signs, markers and striping	Semi-Annually- as needed	\$2,500
	Debris removal & street sweeping	Bi-Annually- as needed	\$3,600
	Fire fuel management along shoulders	Annually- as needed	\$5,600
<b>Drainage</b>			
	Repairing and maintaining drainage systems and structures adjacent to roads	Annually- as needed	\$4,500
	Maintaining retaining walls adjacent to roads	Semi-Annually- as needed	\$2,800
	Maintaining slopes adjacent to roads	Annually- as needed	\$2,800
<b>Misc</b>			
5%	Misc Maintenance and Repairs Contingency		\$2,215
25%	Overhead & Insurance		\$11,075
20%	Administrative		\$6,645
		All Costs- Subtotal	\$64,235
107	Number of Assessed Lots	Annual Cost per Assessed Lot	\$600

(Signature Page follows)

IN WITNESS WHEREOF, Declarant has executed this *Second Amended and Restated Declaration of Covenants Establishing Maintenance, Repair and Improvement Obligations for Oak Ridge Estates At 3F Meadows, Atascadero, CA (ATAL 00-192)* as of this 15 day of December, 2012

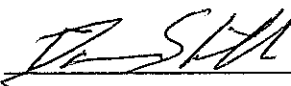
DECLARANT:

Castlerock Development, a California corporation

By   
Darren Shetler, President  
Castlerock Development

DECLARANT:

K&M Holding Corporation, a California corporation

By   
Darren Shetler, President  
K&M Holding Corporation



State of California )  
County of San Luis Obispo )

**CALIFORNIA ALL-PURPOSE  
CERTIFICATE OF ACKNOWLEDGMENT**

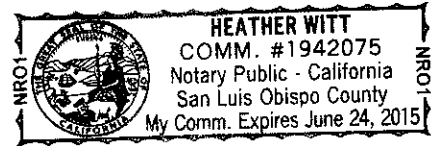
On April 8, 2013 before me, Heather Witt, Notary Public,  
(here insert name and title of the officer)

personally appeared Darren Shetler

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Heather Witt

(Seal)

**OPTIONAL INFORMATION**

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

**Description of Attached Document**

The preceding Certificate of Acknowledgment is attached to a document titled/~~for the purpose of~~ Second Amended and Restated Declaration of Covenants Establishing Maintenance, Repair & Improvement Obligations. containing 17 pages, and dated December 15, 2012.

The signer(s) capacity or authority is/are as:

- Individual(s)  
 Attorney-in-Fact  
 Corporate Officer(s) President Title(s)

- Guardian/Conservator  
 Partner - Limited/General  
 Trustee(s)  
 Other: \_\_\_\_\_

representing: \_\_\_\_\_  
Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information	
<b>Method of Signer Identification</b>	
Proved to me on the basis of satisfactory evidence: <input checked="" type="checkbox"/> form(s) of identification <input type="checkbox"/> credible witness(es)	
Notarial event is detailed in notary journal on: Page # <u>19</u> Entry # <u>2</u>	
Notary contact: _____	
<b>Other</b>	
<input type="checkbox"/> Additional Signer(s)	<input type="checkbox"/> Signer(s) Thumbprint(s)
<input type="checkbox"/> _____	

**REVIEW AND APPROVAL  
BY CITY OF ATASCADERO, CALIFORNIA**

Pursuant to the Second Amended and Restated Declaration of Covenants Establishing Maintenance, Repair and Improvement Obligations for Oak Ridge Estates at 3F Meadows, Atascadero, CA (ATAL 00-192) recorded in the official records of the San Luis Obispo County Recorder on July 31, 2003 as Document No. 2003084986 the undersigned, as an authorized representative of the City of Atascadero, California, has reviewed and approves the provisions contained in this Second Amended and Restated Declaration of Covenants Establishing Maintenance, Repair and Improvement Obligations for Oak Ridge Estates at 3F Meadows, Atascadero, California (ATAL 00-192) executed by K&M Holding Corporation, a California Corporation, and Castlerock Development, a California Corporation, both as Declarant, dated October 15, 2012.

City of Atascadero, California

By: 

Print Name: WARREN FRACE

Title: COMMUNITY DEVELOPMENT  
DIRECTOR

City of Atascadero, California

By: 

Print Name: DAVID M. ATHEY

Title: DEPUTY CITY ENGINEER

END OF DOCUMENT

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of San Luis Obispo }

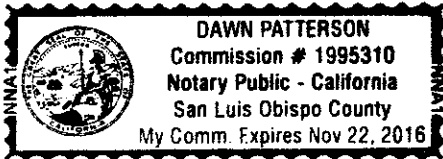
On March 5, 2013 before me, Dawn Patterson, Notary Public,  
Date Here Insert Name and Title of the Officer

personally appeared Warren Frace and David M. Athey  
Name(s) of Signer(s)

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Dawn Patterson  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Second Amended and Restated Maint, Repair & Improvement Obligations  
 Document Date: 12-15-2012 Number of Pages: 17  
 Signer(s) Other Than Named Above: Darren Shetler

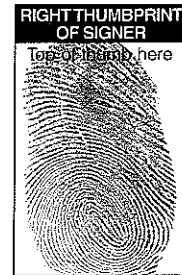
**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Warren Frace  
 Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_  
 \_\_\_\_\_

Signer's Name: David M. Athey  
 Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_  
 \_\_\_\_\_