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**ROAD MAINTENANCE AGREEMENT
FOR SPERRY COLONY**

1. Parties. The parties to this agreement are all of the owners ("owners") of eight parcels within Sperry Colony; namely, parcels 28, 30, 31, 32, 33, 34, 35 and 36. The names of the owners, the parcels which they own, and references to the San Luis Obispo County Recorder's Office document numbers of the deeds by which the owners acquired title are set forth on Schedule A attached to this agreement.

2. Repair and Maintenance of Roads. The owners agree to maintain in good condition and repair all those portions of Santo Domingo Road and Santo Domingo Lane which either now or in the future are improved to an "all weather road" condition. All references in this agreement to "road" or "roads" shall refer to all weather roads in the locations shown on Schedule B attached to this agreement, and designated as either Santo Domingo Road or Santo Domingo Lane. Santo Domingo Road and Santo Domingo Lane shall have a red rock surface and appropriate culverts to control erosion. Repair of the roads includes the repair of all damage caused by ordinary use, and by storms, erosion, floods and acts of God. Whenever a road becomes impassable it shall be repaired as soon as practicable.

The cost of maintaining and repairing the roads shall be allocated among the owners in proportion to the number of parcels owned by each. For example, if an owner owns three parcels, such owner shall pay three-eighths ($3/8^{\text{th}}$) of the cost of repairing and maintaining the roads.

3. Damage Caused by an Owner. Despite the provisions of paragraph 2 above, any damage to a road (other than ordinary wear typically caused by common vehicles) caused by an owner, or such owner's livestock, contractors, agents, guests or invitees, shall be repaired at the sole cost of such owner.

4. Capital Improvements. Every owner has the right, but not the duty, to improve a road including, but not limited to, improvements to the base and surface of the road. The standard of construction of all such improvements must be approved by the road committee. All such improvements shall be done at the sole cost of the owner making the improvements; however, after such improvements are made to a road, repair and maintenance of the improved road shall be allocated in accordance with paragraph 2 of this agreement.

5. Road Committee. All decisions for the repair and maintenance of the common roads, including the nature of the work to be done and selection of the contractor or individual who is to perform the work, shall be decided upon by a majority vote of a road committee. The road committee shall consist of two owners who shall be elected by a majority vote of all of the owners, with one vote being allocated to each parcel. For example, an owner of three parcels would have three votes. The voting may be either in person or by proxy, and an owner shall be entitled to cumulate such owner's votes. That is, an owner may give one candidate a number of votes equal to the number of parcels that such owner owns multiplied by the number of members of the road committee to be elected, and such votes may be given all to one candidate, or may be distributed among the candidates as the owner thinks fit. For example, if an owner owns two parcels, and therefore normally has two votes, at an election of the road committee in which two members are to be elected the owner shall be entitled to cast four votes. The owner may cast all four votes for one candidate, or two votes for each of the two candidates, or divide the four votes up among the two candidates in any other manner desired by the owner. An owner shall not be entitled to cumulate votes unless the names of the candidates for the road committee have been placed in nomination before the voting, and before the voting the owner has given to each of the other owners notice of the owner's intention to cumulate his or her votes. If any owner has given such notice, all owners may cumulate their votes for candidates in nomination.

Members of the road committee shall be elected each year. However, a duly elected road committee shall continue to serve until a new committee is elected, even if the owners fail to elect a new committee annually as provided in this agreement. The place, date and time of each election shall be set by the road committee, and each owner shall be notified in writing not less than 14 days before the date of the election. If the road committee fails to call an election within 13 months of the date

of the last election, any two owners acting together may set the place, date and time of the next election by giving not less than 14 days prior written notice to each of the other owners.

6. Joint Ownership Disputes. The vote allocable to each parcel may be cast only as a unit, and fractional votes shall not be allowed. If joint owners of a parcel are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any owner casts a vote representing a certain parcel, it will thereafter conclusively be presumed for all purposes that he or she was acting with the authority and consent of all other owners of the same parcel. If more than one vote is cast for a particular parcel, none of said votes shall be counted and all of said votes shall be deemed void.

7. Road Maintenance Assessments. Each year the road committee shall fix the amount of road maintenance assessments to be assessed against each parcel during the following calendar year for road repairs and maintenance. Assessments which total less than \$300 per parcel in a calendar year are defined as "ordinary assessments," and assessments in excess of that amount in a calendar year are defined as "special assessments." The amount of all special assessments will be determined by the road committee, but shall require the approval of owners of not less than six of the eight parcels. The owners of not less than six of the eight parcels may also change from time to time the definition of an ordinary and a special assessment, by either lowering or raising the amount defining the limit of an ordinary assessment.

Ordinary and special assessments shall be paid to the road committee by each owner at such intervals as may be determined by the road committee. If an owner fails to pay an ordinary or special assessment within 10 days after its due date, any member of the road committee may, in the name of the Sperry Colony Road Committee, sue the delinquent owner for collection of the delinquent assessment. All assessments collected by the road committee shall be deposited into an account from which funds may be withdrawn upon the signature of one member of the road committee if the amount is less than \$300, and upon the signatures of two members of the road committee if the amount is \$300 or more. Any assessment funds not expended shall be held in the account to be used for costs of repair and maintenance in the following year. The road committee shall give to each owner an annual accounting of the collection and expenditure of funds.

8. Encroachments. Each of the undersigned owners agrees that any physical encroachments into the full width of the right of way of the roads is permissive, and will not ripen into a prescriptive easement.

9. Amendment of Agreement. This agreement may be amended from time to time by a unanimous vote of owners of all of the parcels. All amendments shall be effective when the amendment is signed by all of the owners, and is recorded in the Official Records of San Luis Obispo County, California.

10. Covenants Running with the Land; Successors and Assigns. The undersigned owners agree that every parcel shall be held, conveyed, encumbered, leased, used and occupied subject to this Road Maintenance Agreement which is agreed to be for the benefit of all present and future owners of the eight parcels described on Schedule A. The covenants contained in this Road Maintenance Agreement are both a benefit and a burden to each parcel, shall run with the land, and shall be binding upon and inure to the benefit of all persons having or acquiring any right or title to, or interest in any one or more of the eight parcels, and are equitable servitudes upon the land.

DATED: _____

OWNERS

