

RECORDING REQUESTED BY:
Title Insurance and Trust Company

DOC. NO. 10222
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CAL

3/10/81 9844 3

39.00 SF
32.00 SF

WHEN RECORDED MAIL TO:

Ronald Olson
1092-D Grand Avenue
Arroyo Grande, Ca. 93420

MAR 10 1981

WILLIAM E. ZIMARIK
COUNTY RECORDER

TIME 8:00 AM

#132076

DECLARATION OF RESTRICTIONS
AND GRANT OF EASEMENTS

THIS DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS,
is made as of the 4th day of March, 1981, by
JOIE G. SCOLARI and ELDEEN W. SCOLARI, husband and wife, as com-
munity property, as to an undivided one-half (1/2) interest; WILLIAM
G. GERRISH and NANCY L. GERRISH, husband and wife as community
property, as to an undivided one-fourth (1/4) interest; and RONALD
R. OLSON and SHARON B. OLSON, husband and wife as community prop-
erty, as to an undivided one-fourth (1/4) interest, hereinafter
collectively referred to as "Declarant." This instrument is, for
convenience, hereinafter referred to as a "Declaration."

P R E L I M I N A R Y :

1. Declarant is the owner of certain real property
situate in the City of Arroyo Grande, County of San Luis Obispo,
State of California, described in Exhibit A, attached hereto and
incorporated herein by reference. Said property described in
Exhibit A is divided into five (5) parcels which parcels are some-
times hereinafter referred to individually as Parcel A, Parcel B,
Parcel C, Parcel D and Parcel E. Said real property described in
Exhibit A is hereinafter referred to as the "Shopping Center." A
plot plan of the Shopping Center is attached hereto as Exhibit B
and incorporated herein by reference.

2. Declarant plans to develop and plan for the de-
velopment of the Shopping Center as an integrated retail sales
area for the mutual benefit of all real property in the Shopping
Center, and for such purposes does hereby fix and establish ease-
ments, covenants, restrictions, liens and charges (hereinafter
collectively referred to as "Restrictions"), upon and subject to
which all of said Shopping Center, or any part thereof shall be

improved, hold, leased, sold and/or conveyed. Such Restrictions shall run with the land and inure and pass with said property and shall apply to, bind and benefit the respective successors in interest thereof, and all and each thereof is imposed upon said property as a mutual equitable servitude in favor of said property and any portion thereof.

DEVELOPMENT

1. For the purposes of this Declaration all of the area within the Shopping Center to be used in common shall be referred to as "Common Area," and said Common Area effectively includes all areas within the Shopping Center other than "Building Areas" and the storm drain retention basin at the location shown on Exhibit B hereto; said Common Area is clearly delineated on the plot plan which is Exhibit B hereto; and said Common Area shall be developed substantially as shown on said Exhibit B. In the event the storm drain retention basin is converted to Common Area pursuant to Paragraph 5 of this Section, upon such conversion the term "Common Area," as used herein, shall be deemed to include the portion of the Shopping Center so converted.

2. (a) No building or structure of any kind shall be erected on any portion of the Shopping Center except upon those portions designated "Building Area" on Exhibit B hereto; provided that there may be constructed and maintained upon or over said Common Area a canopy or canopies projecting from such Building Area; normal foundations and doors for ingress and egress may project from such Building Area; and signs may be erected upon said canopy or canopies, so long as said signs do not obstruct the signs of any other owner, or owner's tenant of the Shopping Center. No signs other than the signs provided for hereinabove,

directional signs for guidance upon the parking and driveway area, and signs (including pylon sign towers) at the locations shown on Exhibit B hereto, shall be erected or maintained upon the Common Area or Building Area of the Shopping Center, except such as obtain the written approval of one hundred percent (100%) of the owners of the Shopping Center and the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located in Parcel C of the Shopping Center.

(b) No building or structure erected on the Shopping Center shall exceed one (1) story in height, plus mezzanine, nor shall any such building or structure exceed thirty (30) feet in height.

3. In the development and use of the Shopping Center there shall not be established or maintained any building, structure or area for the transaction of business, whether for retail sales or other purposes, for which there shall not be established and maintained a Common Area containing approximately three (3) square feet of parking, driveway and sidewalk area for each one (1) square foot of floor area of all buildings, structures or areas to be used for commercial purposes in the Shopping Center, provided that in the event the plot plan which is Exhibit B hereto provides for parking, driveway and sidewalk facilities in a ratio other than a ratio of three (3) square feet of parking, driveway and sidewalk area for each one (1) square foot occupied by buildings, then, in that event, such plot plan shall prevail notwithstanding the above provision concerning such ratio.

4. All buildings constructed in the Shopping Center shall either be equipped with such automatic sprinkler systems as meet all of the standards of the Fire Insurance Rating Authority

(or other similar organization having jurisdiction) or shall be constructed in such a manner so that the buildings in the Building Areas located on Parcels B and C of the Shopping Center may each be fire rated as a separate and distinct unit from any other building built in the Shopping Center, without deficiency charge because of the existence of adjacent or exposing structures.

5. As part of the development of the Shopping Center, the City of Arroyo Grande (the "City") has required that a storm drain retention basin (the "Basin") be constructed and maintained in the Shopping Center at the location shown on Exhibit B hereto. In the event, at any time during the term of this Declaration, the City no longer requires the Basin to be maintained, the "Manager" (as hereinafter defined) shall convert or cause the conversion of said Basin to Common Area. As part of said conversion, the Basin shall be filled to the same level, grade and degree of compaction as the surrounding surfaces, and shall be covered with the same type of surfacing material originally installed in the balance of the Common Area. The portion of the Common Area thereby added to the Shopping Center shall be used for the parking of automobiles and shall be striped in a configuration consistent with the parking areas adjacent thereto. The work required to convert the Basin to Common Area, as hereinabove described, is hereinafter referred to as the "Conversion Work." Upon completion of the Conversion Work the Manager shall send to each and every other owner of any portion of the Shopping Center copies of bills reflecting the total costs and expenses of such work and evidence of the payment thereof by the Manager. Within thirty (30) days after receipt of such bills and

such evidence of payment, each and every other owner shall pay to the Manager the percentages of the total costs and expenses of the Conversion Work that are set forth in Paragraph 4 of the Section hereof entitled "OPERATION AND MAINTENANCE OF COMMON AREA." If at the time the "Conversion Work" is required by this provision, no person is obligated to maintain the Common Area (i.e., there is no "Manager"), the owner of Parcel A shall perform the obligations imposed on the Manager by this Paragraph 5.

SHOPPING CENTER EASEMENTS

1. Declarant does hereby establish in favor of and grant to the owners and occupants of the Shopping Center, their customers and invitees, nonexclusive easements for the ingress and egress and for the passage and parking of motor vehicles into, out of, on, over and across all parking areas, driveways and service areas from time to time established within the Shopping Center as provided in Exhibit B so that the Shopping Center may be used as an integrated area by the owners and occupants thereof and their customers and invitees.

2. Declarant does hereby establish in favor of and grant to the owners and occupants of the Shopping Center, their customers and invitees, nonexclusive easements for the ingress and egress and passage of pedestrians into, out of, on, over and across the Common Area from time to time established within the Shopping Center as provided in Exhibit B so that the Shopping Center may be used as an integrated area by the owners and occupants thereof and their customers and invitees.

3. Declarant does hereby establish in favor of and grant to the owners of any portion of the Shopping Center non-exclusive easements under, through and across the Common Area of the Shopping Center for water drainage systems or structures,

water mains, sewers, water sprinkler system lines, telephones or electrical conduits or systems, gas mains and other public utilities and service easements. All such systems, structures, mains, sewers, conduits, lines and other public utilities instrumentalities shall be installed and maintained below the ground level or surface of such easements, except where the instrumentality of the particular utility involved is not amenable to being placed underground (such as, but not limited to, transformers and risers).

4. Should any building constructed within the Shopping Center inadvertently encroach on any Parcel adjacent to said building, which encroachment does not exceed two (2) feet, the owner of the adjacent parcel shall be deemed to have granted a perpetual easement for such encroachment to the owner of the encroaching building.

OPERATION AND MAINTENANCE
OF COMMON AREA

1. Areas to be used for motor vehicle parking purposes by employees of occupants of the Shopping Center may be designated within the Shopping Center from time to time by one hundred percent (100%) of the owners of the Shopping Center and the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center; provided, however, that in no event shall the areas so designated include that portion of the Common Area shown as cross-hatched on Exhibit B hereto. No owner employee of any owner, lessee or other occupant of any part of the Shopping Center shall use any portion of the Common Area located on the Shopping Center for motor vehicle parking purposes except such area or areas as may be designated in writing for such purposes as provided for herein.

2. All owners of any portion of the Shopping Center

shall pay prior to delinquency all taxes and assessments on the Common Area and Building Area owned by them. If any such owner shall fail to pay said taxes and assessments when due, any other owner, may pay said taxes and assessments and the curing owner or tenant may then bill the defaulting owner for the expense incurred. If the defaulting owner shall not pay said bill within fifteen (15) days, the curing owner or tenant shall have a lien on the property of the defaulting owner for the amount of said bill, which amount shall bear interest at the rate of ten percent (10%) per annum until paid.

3. The owner of Parcel D its successors, transferees and assigns (hereinafter referred to as the "Manager") shall operate and maintain, or cause to be operated and maintained, the "Basin" as herein defined, and the Common Area located within the Shopping Center and shall keep the same, or cause the same to be kept, in good condition and repair. As part of said operation, the Manager shall cause the Common Area to be adequately lighted and shall maintain the surface areas thereof in a level and smooth condition, evenly covered with the type of surfacing material originally installed thereon, or shall cause the same thus to be maintained. The Manager shall obtain and maintain general public liability insurance insuring the Manager and all persons who now or hereafter own or hold portions of the Shopping Center or any leasehold estate or other interest therein as their respective interests may appear, provided that the Manager is notified in writing of such interest, against claims for personal injury, death or property damage occurring in, upon, or about the Basin and the Common Area located on the Shopping Center. Such insurance shall be written with an insurer licensed to do business in the State of California. The limits of liability of all such insurance shall be at least \$300,000 for injury to or death of any one person, \$500,000 for injury to or death of more than one person in

one occurrence, and \$100,000 with respect to damage to property. The Manager shall cause to be issued certificates of insurance to each of the other fee owners of the Shopping Center, and to the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center, which certificates shall provide that such insurance shall not be cancelled or amended without ten (10) days prior written notice to each of such parties.

4. The Manager shall expend only the monies reasonably necessary for such operation and maintenance in order to keep the Basin and Common Area in good repair and clean condition and to operate the same on a nonprofit basis to the end that the expense in connection therewith shall be kept to a minimum. The Manager shall, from time to time, but not more often than monthly send to each and every owner of any portion of the Common Area a written statement of the total cost and expenses of operation and maintenance of the Basin and Common Area for the period of the preceding month or longer period. The Manager may include in such statement the amount of the public liability insurance premium respecting the Basin and Common Area of the Shopping Center prior to the Manager's payment thereof, provided that the amount of such premium shall not be included in any such statement sent more than sixty (60) days prior to the premium due date. The Manager may also include in such statement a management fee not to exceed ten percent (10%) of the costs and expenses of the operation and maintenance of the Basin and Common Area; provided that in the calculation of said management fee, there shall not be included in such costs and expenses, personal property taxes, real property taxes and assessments, insurance premiums, depreciation, capital expenditures which exceed Two Thousand Dollars (\$2,000.00) in the

aggregate in any one year, or any management fee or other fee paid by the Manager to a third party to perform all or a portion of the Manager's obligations hereunder in connection with said Basins and Common Area. Within thirty (30) days after receipt of such statement, each and every such owner shall pay to the Manager the fractions of the total amount of said costs and expenses hereinafter described. Each owner, or its authorized representative, shall have the right to examine the records of expenses in connection therewith at reasonable business hours and without unreasonable frequency.

The percentage shares of such costs and expense are as follows:

Parcel A	15.70%
Parcel B	31.37%
Parcel C	31.03%
Parcel D	17.59%
Parcel E	4.31%
TOTAL	100.00%

If all or any portion of such fractions of said total is not so paid, the same shall be deemed delinquent, and the amount thereof shall bear interest thereafter at the rate of ten percent (10%) per annum until paid, and the Manager shall have a lien on the property of the defaulting owner for said unpaid amount and interest.

If the Manager shall fail to so maintain the Common Area or to provide such insurance, then any other owner, or the tenant of the Building Area located on Parcel B of the Shopping Center and/or the tenant of the Building Area located on Parcel C of the Shopping Center, may do so, and the curing owner or tenant may then bill the Manager for the expense incurred. If the Manager shall not pay said bill within fifteen (15) days, the curing owner or tenant(s) shall have a lien on the property of the Manager for

the amount of said bill, which amount shall bear interest at the rate of ten percent (10%) per annum until paid.

5. Should the owner and/or tenant of either or both of Parcel B and/or C, desire to assume the duties, obligations, rights and remedies of the Manager pursuant to the preceding provisions of this provision concerning maintenance, said owner(s) and/or tenant(s) shall have the right to do so by serving a formal written sixty (60) day notice to that effect on the Manager, the owners of all of the parcels other than the Manager, and the tenants of both Parcels B and C of the Shopping Center. The notice provided for above shall be accompanied by the written undertaking of the Manager's successor or successors, duly executed and acknowledged by such successor, or successors, that it or they, shall faithfully and fully observe, perform and discharge each and every duty and obligation of Manager hereunder in the place and stead of the Manager for a specified period (which period shall in no event be for less than three (3) years, and which shall be described by calendar dates) and said successor, or successors, may utilize a nominee to perform such duties and obligations without relieving it, or them, however, of any of such duties and obligations. The party or parties taking over the duties of the Manager shall promptly cause an executed and acknowledged counterpart of such written undertaking to be duly recorded in the Office of the County Recorder of San Luis Obispo County. The Manager hereby grants to said successor, or successors, during said period, all rights that the Manager shall possess hereunder including, but without limiting the foregoing, the right, in the place and stead of the Manager to issue the statements above contemplated, to collect, hold, receive, and disburse receipts on account thereof, and to

have the full benefit of any liens above contemplated which may arise by reason of any nonpayment on account thereof.

6. During any period of time when no person is obligated to maintain the Common Area located within the Shopping Center, the owner of each Parcel shall have the obligation to maintain its own Parcel.

RESTRICTIONS ON USE

1. (a) No portion of the Shopping Center other than the building on Parcel B of the Shopping Center shall be occupied or used, directly or indirectly, for the purposes of a general food market or a grocery store, meat market, fish market, fruit store, vegetable store, delicatessen, or any combination thereof; provided that the foregoing shall not prohibit the operation of one (1) delicatessen in the Shopping Center offering food items (which, for purposes hereof, shall not include raw fresh fish, meat or poultry), prepared and/or packaged on the premises for on- or off-premises consumption and containing not more than two thousand (2,000) square feet of storage and selling space and not more than fifty (50) lineal feet of individual shelf space allocated to items sold in a general market or grocery store; and provided further that the foregoing shall not prohibit the operation in the building on Parcel C of the Shopping Center of a typical Pay Less Super Drug Store operation similar to the type of operation conducted in California by Pay Less Drug Stores Northwest, Inc. a Maryland corporation, in other super drug stores, so long as no fresh or frozen meat, fresh or frozen fish, fresh or frozen vegetables, or fresh or frozen fruits are sold. For purposes of this paragraph, "items sold in a general market or grocery store" shall not include liquor, beer, wine or any other alcoholic beverages..

(b) The foregoing restriction shall continue only so long as the Building Area on Parcel B of the Shopping Center or some part thereof shall continue to be used for a general food market or grocery store and for a period of two (2) years thereafter.

(c) The failure to use the Building Area on Parcel B of the Shopping Center, or some part thereof, for a general food market or grocery store, which results from strikes, lock-outs, riot, insurrection, act of God or governmental regulations or orders or which occurs during any period in which a building or buildings are being built, rebuilt, repaired or remodeled upon said Building Area, or some part thereof, shall not cause the foregoing restriction to terminate; provided that if such building, rebuilding, repair, or remodeling shall result in the failure to use said Building Area, or some part thereof, for a general food market or grocery store for a period in excess of two (2) years, the foregoing restriction shall terminate at the end of such two (2) year period. Any such two (2) year period shall be extended by the period of any and each occurrence of any strikes, labor difficulties, governmental restrictions upon building activity, or delays caused by or resulting from fire, casualty, war or acts of God.

2. (a) No portion of the Shopping Center other than the building on Parcel C of the Shopping Center shall be occupied or used, directly or indirectly, for the purpose of the sale of items the sale of which requires the presence of a licensed pharmacist.

(b) The foregoing restriction shall continue only so long as the Building Area on Parcel C of the Shopping Center,

or some part thereof, shall continue to be used for the sale of items the sale of which requires the presence of a licensed pharmacist and for a period of two (2) years thereafter.

(c) The failure to use the Building Area on Parcel C of the Shopping Center, or some part thereof, for the sale of items the sale of which requires the presence of a licensed pharmacist which results from strikes, lockouts, riot, insurrection, act of God or governmental regulations or orders or which occurs during any period in which a building or buildings are being built, rebuilt, repaired or remodeled upon said Building Area, or some part thereof, shall not cause the foregoing restriction to terminate; provided that if such building, rebuilding, repair or remodeling shall result in the failure to use said Building Area, or some part thereof, for the sale of items the sale of which requires the presence of a licensed pharmacist for a period in excess of two (2) years, the foregoing restriction shall terminate at the end of such two (2) year period. Any such two (2) year period shall be extended by the period of any and each occurrence of any strikes, labor difficulties, governmental restrictions upon building activity, or delays caused by or resulting from fire, casualty, war, or acts of God.

3. No portion of the Shopping Center shall be occupied or used, directly or indirectly, for the sale or offering for sale of alcoholic beverages for on-sale or off-sale consumption, provided, however, that this restriction shall not prohibit the operation of an alcoholic beverage department for off-sale consumption only as a part of the operations conducted in the Building Areas located on Parcel B and/or Parcel C of the Shopping Center; and provided further that this restriction shall not

prohibit the operation of one (1) restaurant containing not more than four thousand (4,000) square feet of floor area and offering alcoholic beverages for on-premise consumption only, provided that no portion of the restaurant premises is located within one hundred (100) feet of any portion of the Building Area on Parcel B of the Shopping Center.

4. No portion of the Shopping Center shall be occupied or used, directly or indirectly, for the purposes of an office building, entertainment or recreational facility or a training or educational facility; provided, however, that this restriction shall not prohibit the operation of one (1) real estate office and/or one (1) insurance office, each occupying not more than twenty (20) lineal front feet of Building Area; the operation of a post office so long as no postal delivery trucks are parked in any portion of the Common Area overnight; nor shall it prohibit the operation of a savings and loan association in the Building Area on Parcel E of the Shopping Center. As used herein, "entertainment or recreational facility" includes, but is not limited to, a bowling alley, skating rink, theater, billiard room, game parlor, health spa or studio, massage parlor, bar or tavern, or gymnasium or other place of public amusement; and "training or educational facility" includes, but is not limited to, a beauty school, barber college, reading room, place of instruction, or any other operation catering primarily to students or trainees rather than to customers, it being the intent of this provision that the parking and other common facilities should not be burdened by either large scale or protracted use by customers or occupants of the Shopping Center.

GENERAL PROVISIONS

1. COVENANTS RUN WITH THE LAND. Each easement, restriction and covenant contained herein shall be appurtenant to



and for the benefit of all portions of the Shopping Center and shall be a burden thereon for the benefit of all portions of the Shopping Center, and shall run with the land.

This Declaration and the restrictions, easements, covenants, benefits and obligations created hereby shall inure to the benefit of and be binding upon Declarant and Declarant's heirs, personal representatives, successors, transferees and assigns; provided, however, that if any owner sells any portion or all of its interest in the Shopping Center and obtains from the purchaser thereof an agreement by which the purchaser assumes and agrees to be bound by the covenants and agreements herein contained, the vendor shall thereupon be released and discharged from any and all further obligations under this Declaration as such owner in connection with the property sold by it.

2. DURATION. Except as otherwise provided herein, each easement shall be in perpetuity and each other covenant, setback line, restriction and undertaking of this document shall be for the term of sixty-five (65) years from the date hereof.

3. INJUNCTIVE RELIEF. In the event of any violation or threatened violation by any owner, lessee, or occupant of any portion of the Shopping Center of any of the terms, covenants, restrictions and conditions contained herein, in addition to the other remedies herein provided, any or all of the owners and tenants of the property included within the Shopping Center shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction.

4. MODIFICATION PROVISION. This Declaration may not be modified in any respect whatsoever, or rescinded, in whole or in part, except with the consent of one hundred percent (100%) of the owners of the Shopping Center, plus the tenant of the Build-

ing Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center at the time of such modification or rescission, and then only by a written instrument duly executed and acknowledged by the requisite owners and tenants, duly recorded in the Office of the Recorder of San Luis Obispo County.

5. NOT A PUBLIC DEDICATION. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Shopping Center to the general public or for the general public or for any public purposes whatsoever, it being the intention of Declarant that this Declaration shall be strictly limited to and for the purposes herein expressed.

6. BREACH SHALL NOT PERMIT TERMINATION. No breach of this Declaration shall entitle any owner to cancel, rescind or otherwise terminate this Declaration, but such limitation shall not affect in any manner any other rights or remedies which such owner, or any tenant, may have hereunder by reason of any breach of this Declaration. Any breach of any of said covenants or restrictions, however, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value, but such covenants or restrictions shall be binding upon and effective against such owner of any of said property or any portion thereof whose title thereto is acquired by foreclosure, trustee sale or otherwise.

7. SEVERABILITY. If any clause, sentence or other portion of this Declaration shall become illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remaining portions thereof shall remain in full force and effect.

8. SUBSEQUENT CONVEYANCES. All conveyances of all or

any portion of the Shopping Center subsequent to the date hereof shall recite that they are subject and subordinate to the terms and provisions hereof.

9. ENFORCEMENT OF LIEN. The liens provided for in "Operation and Maintenance of Common Area" hereinabove may be filed for record by the party entitled thereto as a claim of lien against the defaulting owner in the Office of the County Recorder of San Luis Obispo County, signed and verified, which shall contain at least:

- (a) A statement of the unpaid amount of costs and expenses;
 - (b) A description sufficient for identification of that portion of the property of the defaulting owner which is the subject of the lien; and
 - (c) The name of the owner or reputed owner of the property which is the subject of the alleged lien.
- Such lien, when so established against the real property described in said lien, shall be prior and superior to any right, title, interest, lien or claim which may be or has been acquired or attached to such real property after the time of filing of such lien. Such lien shall be for the use and benefit of the person filing same, and may be enforced and foreclosed in a suit or action brought in any court of competent jurisdiction.

10. OWNERSHIP OF SHOPPING CENTER. The ownership of the entire Shopping Center by the same party shall not effect the termination of this Declaration.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration as of the day and year first hereinabove set forth.

JOIE G. SCOLARI

ELDEN M. SCOLARI

WILLIAM G. GERRISH

"Declarant"

NANCY L. GERRISH

RONALD R. OLSON

SHARON B. OLSON

"Declarant"

(To be Notarially Acknowledged)

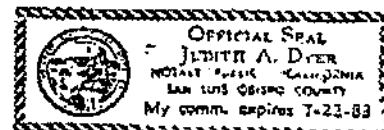
STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.

On February 26, 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOIE G. SCOLARI, ELDEEN W. SCOLARI, RONALD R. OLSON, SHARON B. OLSON, WILLIAM G. GERRISH and NANCY L. GERRISH, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Judith A. Dyer

Judith A. Dyer
Notary Public in and for said State



(SEAL)

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Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44
in the City of Arroyo Grande, County of San Luis Obispo, State
of California, as shown and designated on the Map recorded on
December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office
of the County Recorder of said County.

EXHIBIT A

VOL 2310 PAGE 352

Mr. [unclear]
12/18/80
[Signature]

CONSENT AND SUBORDINATION

FIDELITY SAVINGS AND LOAN ASSOCIATION, a California
Corporation, tenant of a portion of that certain real property
 described in Exhibit A to the Declaration of Restrictions and
 Grant of Easements to which this Consent and Subordination is at-
 tached (the "Declaration"), pursuant to that certain unrecorded
 ground lease dated JANUARY 30, 1981 (the "Lease"),
 hereby consents to all of the terms and provisions of the Declara-
 tion and agrees that its interest in the real property described
 in Exhibit A to the Declaration, pursuant to the Lease or other-
 wise, is and henceforth shall be subject and subordinate to all
 of the terms and provisions of the Declaration.

Dated: March 5, 1981.

FIDELITY SAVINGS AND LOAN ASSOCIATION,
 a CALIFORNIA CORPORATION
 By William Rockliff
 Vice President

(To Be Notarially Acknowledged)

(Corporation)

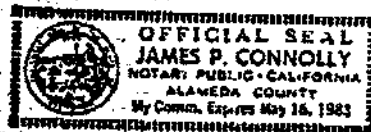
STATE OF CALIFORNIA
 COUNTY OF Alameda

On March 5, 1981 before me, the undersigned, a Notary Public in and for said
 State, personally appeared William Rockliff
 known to me to be the Vice President, and
 known to me to be James P. Connolly Secretary of the corporation that executed the within instrument,
 known to me to be the persons who executed the within
 instrument as 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

James P. Connolly
 Name (Typed or Printed)



2/9/81

END OF DOCUMENT

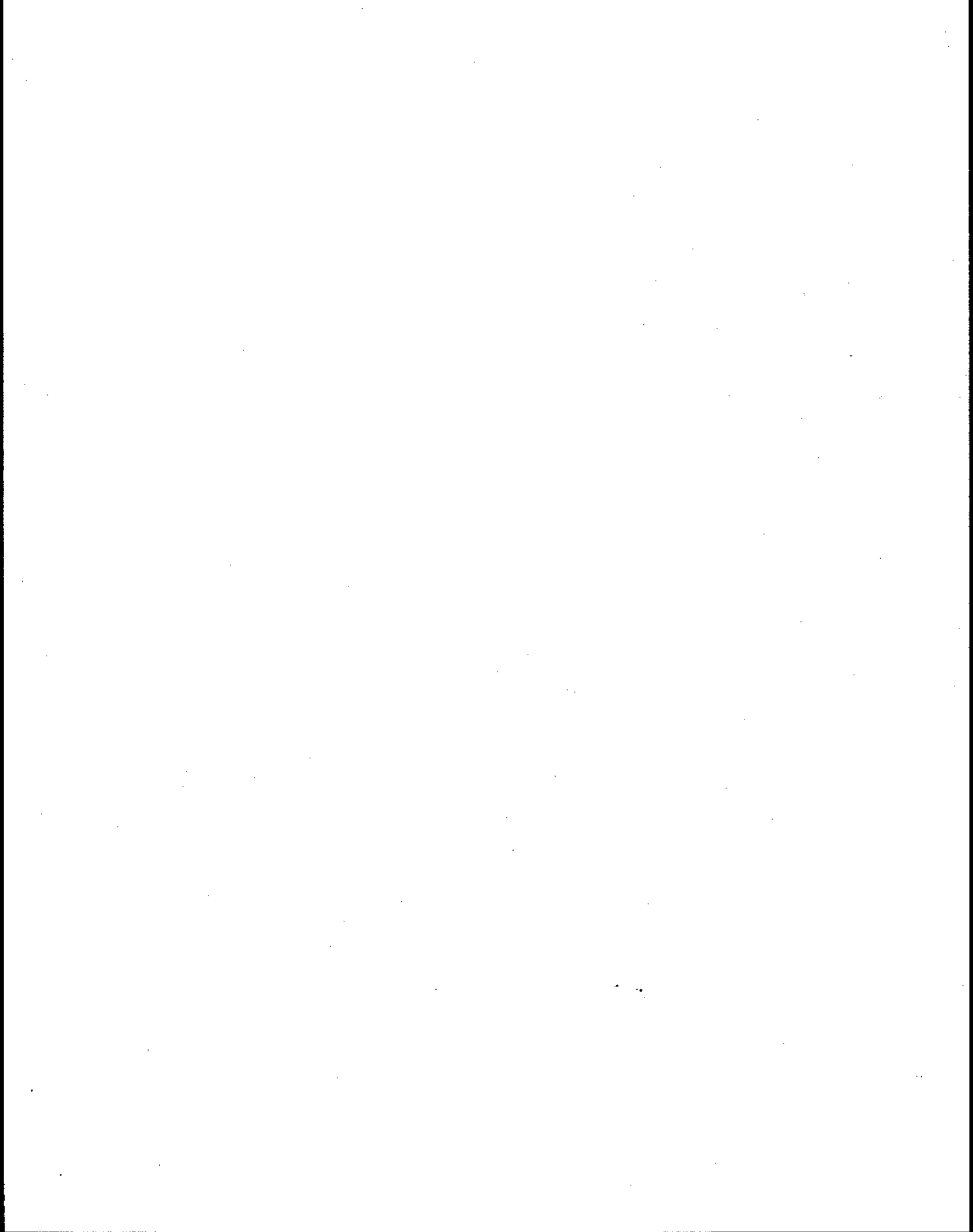
VOL 2310 PAGE 354

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December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office
of the County Recorder of said County.

EXHIBIT A

2310-352





CONSENT AND SUBORDINATION

FIDELITY SAVINGS AND LOAN ASSOCIATION, a California
Corporation, tenant of a portion of that certain real property
described in Exhibit A to the Declaration of Restrictions and
Grant of Easements to which this Consent and Subordination is at-
tached (the "Declaration"), pursuant to that certain unrecorded
ground lease dated JANUARY 30, 1981 (the "Lease"),
hereby consents to all of the terms and provisions of the Declara-
tion and agrees that its interest in the real property described
in Exhibit A to the Declaration, pursuant to the Lease or other-
wise, is and henceforth shall be subject and subordinate to all
of the terms and provisions of the Declaration.

Dated: March 5, 1981.

FIDELITY SAVINGS AND LOAN ASSOCIATION,
a CALIFORNIA CORPORATION

By William Rockloff

By VIC. PRESIDENT

(To Be Notarially Acknowledged)

(Corporation)

STATE OF CALIFORNIA
COUNTY OF Alameda

On March 5, 1981 before me, the undersigned, a Notary Public in and for said
State, personally appeared William Rockloff
known to me to be the Vice President, and
known to me to be the Secretary of the corporation that executed the within instrument,
known to me to be the person who executed the within instrument,
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

James P. Connolly
Name (Typed or Printed)



(This space for official notarial seal.)

2/9/81

END OF DOCUMENT

VOL 2310 PAGE 354

DEEDS PREPARED BY
County Title Guaranty Co.

AND WHEN ORDERED TO READ TO

Mr. Siegfried C. Baden
4034 Blossom Avenue
Calver City, California 90230

DEED NO. 200663
OFFICE OF THE CLERK
SAN LUIS OBISPO COUNTY, CALIF.
WILLIAM E. ZIMMERMAN
CLERK OF THE COURT

JUN 27 1972

1:55 PM

391
Prel

SPACE ABOVE THIS LINE FOR RECORDERS USE

SEE TAX STATEMENT TO ATTEND ABOVE

NOTE: IF A DEED IS NOT RECORDED

UNRECORDED

Quitclaim Deed

THE STATE OF CALIFORNIA

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

LOVETT-WOOD DEVELOPMENT ENTERPRISES, INC.,

hereby REMITS, RELEASES, AND FOREVER QUITCLAIMS TO

C.

SIEGFRIED, BADEN and MYRTLE BROADBROOK BADEN, Husband and Wife as Joint Tenants

the following described real property in the City of Arroyo Grande County of San Luis Obispo State of California:

An easement for ingress and egress over the following described property:

Those portions of Block 52, 85 and of 21st Street and Reasona and Brighton Avenues of the Town of Groves, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to the map recorded November 23, 1992 in Book 4, Page 6 of Maps, AND THAT PORTION OF LOT 18 OF THE POLSON TRACT, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to the map recorded September 26, 1991 in Book 5, Page 15 of Maps, described as follows:

Beginning at the Southeast corner of Tract No. 136; thence South 3° 15' West, 126 feet; thence North 86° 45' East, 16 feet; thence North 3° 15' East 275.45 feet, to the Southerly line of Brighton Avenue; thence South 6° 45' West, along the Southerly line of Brighton Avenue, 16 feet to the easterly line of Tract No. 136; thence South 3° 15' West along the easterly line of Tract No. 136 to the point of beginning.

LOVETT-WOOD DEVELOPMENT, INC.

Dated June 25, 1972

STATE OF CALIFORNIA
COUNTY OF _____

I, _____, being one of the undersigned, a Notary Public in and for said State, personally appeared _____

known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes and consideration therein expressed.

Signature _____

Notar (Typed or Printed)
If executed by a Corporation the Corporation Form of Acknowledgment must be used.

Title Order No. _____ Fee or Loan No. _____

THIS DEED MUST BE RECORDED WITHIN 90 DAYS

1675 - 349

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo } ss.

1 On June 26, 1972

the undersigned, a Notary Public in and for said County and State,
personally appeared Leo R. AXTELL

known to me to be the President, and

Adelphon B. Wood known to me to be

Secretary of the corporation that executed the
within instrument, and acknowledged to me that each corporation
executed the within instrument pursuant to its by-laws or a resolution
of its board of directors.



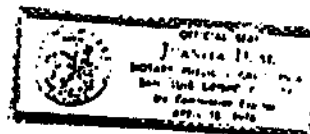
1 Signed Juanita Deal

Juanita Deal

Known to me to be President

Capacity as Notary Public in and for said County and State

END OF DOCUMENT

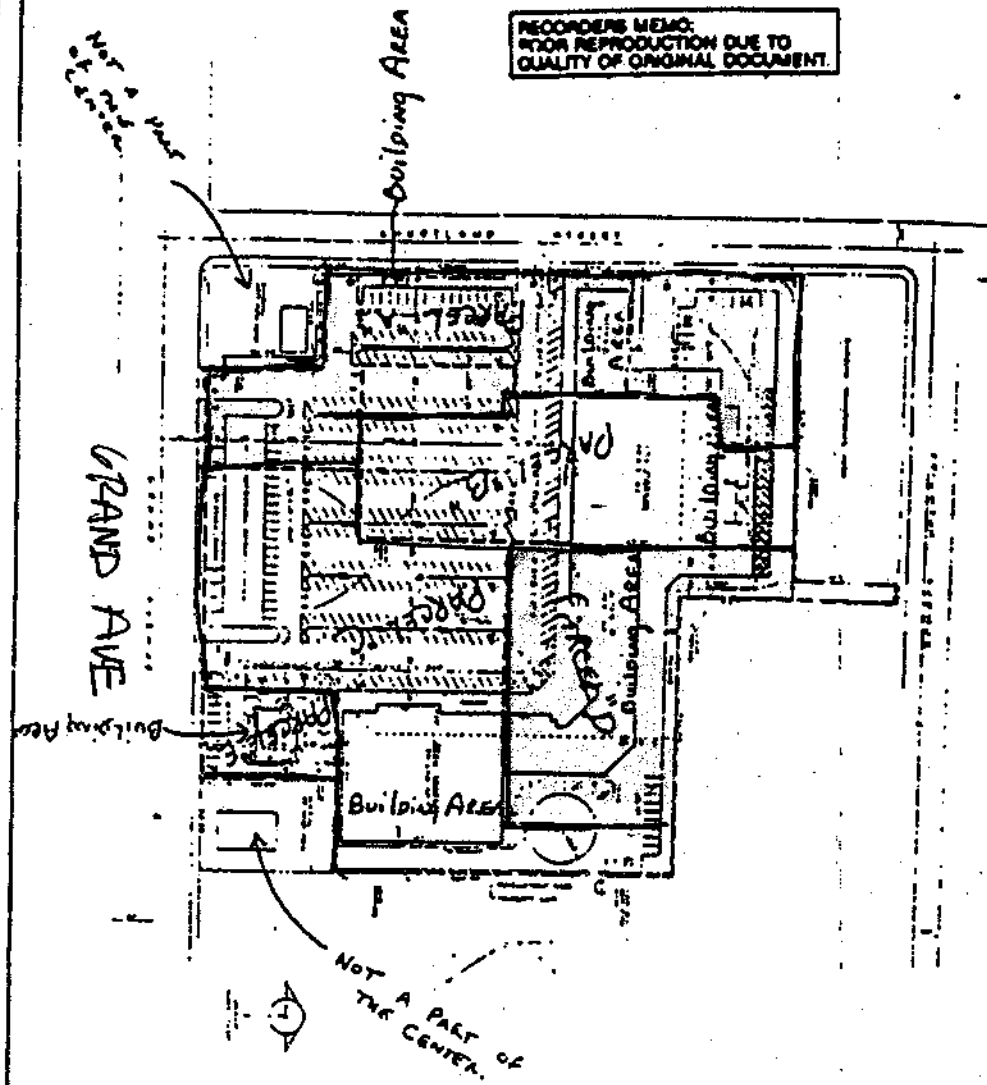


1675 1350

FOR NOTARY SEAL OR STAMP

20263

RECORDERS MEMO:
 FOR REPRODUCTION DUE TO
 QUALITY OF ORIGINAL DOCUMENT.



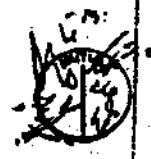
-----Part .. Lines

Common Area is all Portions of Parcels A, B, C, D, and E not designated above as building areas

- ☐ Designated no employee parking area.

EXHIBIT "B"

Vol 2310-353



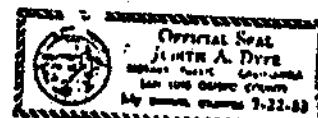
STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.

On February 26, 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOIE G. SCOLARI, ELDEEN W. SCOLARI, RONALD R. OLSON, SHARON B. OLSON, WILLIAM G. GERRISH and NANCY L. GERRISH, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Judith A. Dyer

Judith A. Dyer
Notary Public in and for said State



(SEAL)

VOL 2310 PAGE 34

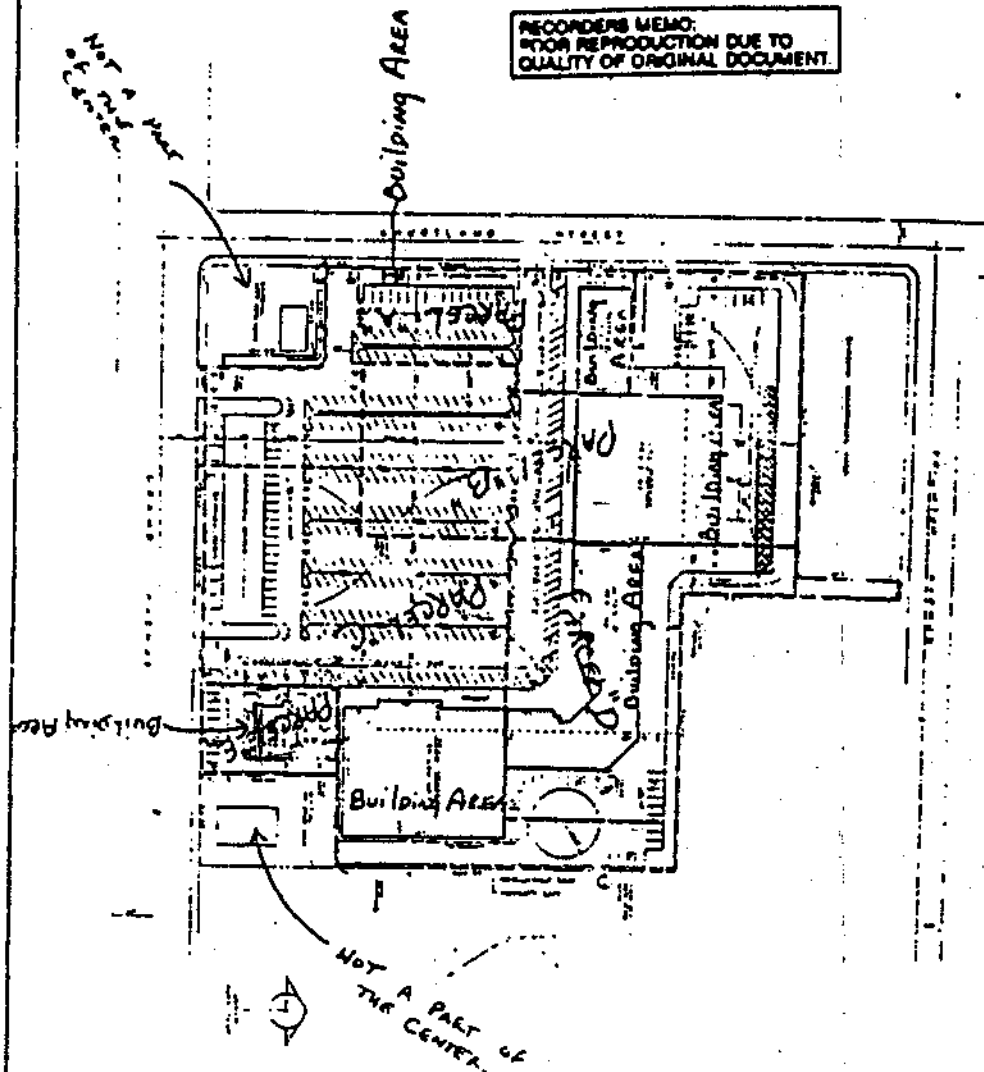
Parcela A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44
in the City of Arroyo Grande, County of San Luis Obispo, State
of California, as shown and designated on the Map recorded on
December 12, 1980, in Book 30, Page 3 of Parcel Maps in the Office
of the County Recorder of said County.

EXHIBIT A

vol. 2316 p. 352

Myron
12/13/80
13

RECORDERS MEMO:
NOT FOR REPRODUCTION DUE TO
QUALITY OF ORIGINAL DOCUMENT.



-----Parcel Lines

Common Area is all Portions of Parcels A, B, C, D, and E not designated above as building areas

☒ Designated no employee parking area.

EXHIBIT "B"

wa 2310-1-353



CONSENT AND SUBORDINATION

FIDELITY SAVINGS AND LOAN ASSOCIATION, a California
Corporation, tenant of a portion of that certain real property
described in Exhibit A to the Declaration of Restrictions and
Grant of Easements to which this Consent and Subordination is at-
tached (the "Declaration"), pursuant to that certain unrecorded
ground lease dated JAN. MAY 30, 1981 (the "Lease"),
hereby consents to all of the terms and provisions of the Declara-
tion and agrees that its interest in the real property described
in Exhibit A to the Declaration, pursuant to the Lease or other-
wise, is and henceforth shall be subject and subordinate to all
of the terms and provisions of the Declaration.

Dated: March 5, 1981.

FIDELITY SAVINGS AND LOAN ASSOCIATION,
a CALIFORNIA CORPORATION

By William K. Hoff
By W. K. Hoff

(To Be Notarially Acknowledged)

(If Corporation)

STATE OF CALIFORNIA
COUNTY OF Alameda

On March 5, 1981 before me, the undersigned, a Notary Public in and for said
State, personally appeared William K. Hoff
known to me to be the Vice President and Authorized Representative
known to me to be James P. Connolly Secretary of the corporation that executed the within instrument.
Known to me to be the person who executed the within
instrument on behalf of the corporation therein named, and
acknowledged to me that said corporation executed the within
instrument, and to me to be true of a Notary Public of the State
of California.

WITNESS my hand and official seal

Signature James P. Connolly
Name (Typed or Printed)



2/9/81

END OF DOCUMENT

va 2310-354

RECORDING REQUESTED BY

Title Insurance and Trust Company

and Trust Company, Inc.

GERRISH, OLSON, CANTRELL &
BAILEY
1092 Grand Avenue - Suite D
Arroyo Grande, California
93420

GERRISH, OLSON, CANTRELL &
BAILEY
1092 Grand Avenue - Suite D
Arroyo Grande, California
93420

3/10/81 9:46 J

DOC. NO 10224
OFFICIAL RECORDS
SAN LUIS OBISPO CO., L.

MAR 10 1981

WILLIAM E. ZIMARK
COUNTY RECORDER

TIME 8:00 AM

SPACE ABOVE THIS LINE FOR RECORDING USE
portion of 77-347-57; 42:50
52: 53: 40: 41: 44: 46: 55

Individual Grant Deed

THIS FORM FURNISHED BY TITLE INSURANCE

The undersigned grantor(s) declare(s):

Decedentary transfer has to State

() conveyed on full value of property conveyed, or

() conveyed on full value less value of liens and encumbrances remaining at time of sale.

() Unincorporated area: (A) City of Arroyo Grande and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged JOSE G. SCOLARI and ELDEEN W. SCOLARI, husband and wife as community property, as to an undivided one-half (1/2) interest; WILLIAM G. GERRISH and NANCY L. GERRISH, husband and wife as community property, as to an undivided one-fourth (1/4) interest; and RONALD R. OLSON and SHARON B. OLSON, husband and wife as community property, as to an undivided one-fourth (1/4) interest

hereby GRANT to ARROYO PARTNERS, a California
limited partnership

the following described real property in the City of Arroyo Grande
County of San Luis Obispo, State of California:

SEE EXHIBIT A, ATTACHED HERETO
AND INCORPORATED HERETH BY
REFERENCE

Dated February 26, 1981

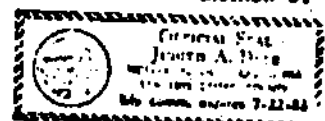
STATE OF CALIFORNIA
County of San Luis Obispo
on February 26, 1981 before me the undersigned

Notary Public in and for said State personally appeared
JOSE G. SCOLARI, ELDEEN W. SCOLARI,
WILLIAM G. GERRISH, NANCY L. GERRISH,
RONALD R. OLSON and SHARON B. OLSON

known to me to be the persons whose names are subscribed to the within
instrument and acknowledged that they executed the same
in the presence of me and each other and

JUDITH A. DYER

James A. Dyer



Title Order No. 132076

MAK TAX STATEMENTS AS DIRECTED ABOVE

2410-357

Parcels A, D and E of Lot Line Adjustment No. J.C. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

SUBJECT TO AND TOGETHER WITH all easements, covenants, conditions, restrictions, rights and liabilities as set forth in that certain Declaration of Restrictions and Grant of Easements recorded in the Official Records of San Luis Obispo County, California in Book 331C, at Page 339, as Instrument No. 117-2-2-2.

EXHIBIT A

END OF DOCUMENT

vr 2310-358

16 on prelim

RECORDING REQUESTED BY
TICOR TITLE INSURANCE COMPANY
OF CALIFORNIA

Recording Requested by and
When Recorded Return to:

SWYER-CORLETT & CO.
6336 Wilshire Boulevard
Los Angeles, California 90048

DOC. NO. 30302
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA

MAY 16 1988

FRANCIS M. COONEY
County Clerk-Recorder
TIME 6:30 AM

4:00 PM
51.5 1976

166940-00

DEED OF TRUST

THIS DEED OF TRUST, made as of April 14, 1988, between North Coast Centers, a California Limited Partnership, whose address is c/o Pacific Blue Group, 1165 Coast Village Road, Suite E, Santa Barbara, California 93108, herein called Trustor, Ticor Title Insurance Company of California, herein called Trustee, and THE CANADA LIFE ASSURANCE COMPANY, a Corporation organized and existing under the laws of the Dominion of Canada, with its principal place of business in Toronto, Ontario, Canada herein called Beneficiary.

WITNESSETH:

That Trustor hereby Irrevocably Grants, Bargains, Sells, Transfers, Conveys, Assigns and Confirms unto Trustee, in Trust, with Power of Sale, all that property in the City of Arroyo Grande, County of San Luis Obispo, State of California, described as:

(See Exhibit "A" attached hereto and incorporated herein by this reference.)

TOGETHER WITH all and singular the easements, rights, privileges, improvements, buildings, tenements, hereditaments and appurtenances to the said premises now or hereafter belonging or in any wise incident or appertaining thereto which shall include, without limiting the generality of the foregoing: all electric wiring, plumbing and heating fixtures, appliances and equipment for heating, lighting, refrigeration, air-conditioning, and fire fighting, screen doors, screens, awnings, shades, venetian blinds, alarm systems, safety and life support systems, stoves, ovens, dishwashers, carpeting and other floor coverings, and all other equipment now or hereafter installed in or upon said premises by Trustor and used or for use therein or thereon, it being mutually agreed that all of the aforesaid property owned by

Trustor and placed on the real property shall be deemed to be fixtures, a part of the real property covered by this Deed of Trust to the extent permitted by law, and, as to the balance of said property, this Deed of Trust shall be deemed to be a Security Agreement for the purpose of creating a security interest in said property for the benefit of Beneficiary all of which property, whether real or personal, shall secure the performance of Trustor's obligations hereunder and under the Note as hereinafter defined; provided, however, that if Trustor enters into a separate Security Agreement with Beneficiary relating to any of said property, the terms thereof shall govern the rights and remedies of Beneficiary with regard to the property covered thereby; provided however, that trade fixtures or other personal property of any tenant now or hereafter installed shall not be included in this provision and shall not be affected hereby;

AND TOGETHER WITH all of the rents, issues and profits of the aforesaid property, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits;

AND TOGETHER WITH all right, title and interest of Trustor including any after acquired title or reversion in and to any land lying in the bed of any street, road, highway or alley adjacent to the premises above described;

To Have and to Hold the property described above (hereinafter referred to as the "Property") unto said Trustee, its successors and assigns.

For the purpose of securing, in such order of priority as Beneficiary may determine:

One: Payment of the indebtedness evidenced by one promissory note (and any renewals or extensions or modifications thereof) u. even date herewith (hereinafter the "Note"), payable to the order of Beneficiary in the principal sum of Two Million Three Hundred Thousand and No/100 Dollars (\$2,300,000.00) together with interest thereon and late charges as provided by the Note, which is made a part hereof by this reference, made, executed and delivered by Trustor to Beneficiary.

Two: Payment of all other moneys herein agreed or provided to be paid by Trustor.

Three: Performance and discharge of each and every obligation, promise and agreement of Trustor herein contained, or contained in the Note or in any other instrument now or hereafter evidencing or securing any indebtedness hereby secured.

Trustor covenants and agrees:

1. To pay the principal and interest, additional interest, and other charges payable under the Note according to its terms.

2. To pay when due: (a) all taxes and assessments affecting the Property, including assessments on appurtenant water stock, and any accrued interest, cost and/or penalty thereon and to submit copies of receipts therefor to Beneficiary at least ten (10) days before delinquency; (b) all encumbrances (including any debt secured by deed of trust), ground rents (including the rent and other charges payable by Trustor or lessee under any ground lease), liens, and/or charges, with interest, on the Property or any part thereof; (c) all charges for utilities or services including but not limited to electricity, gas and water; and (d) all costs, fees and expenses of this Deed of Trust, including cost of avoidance of title and Trustee's fees and reasonable attorneys' fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of a declaration of default and demand for sale, as hereinafter provided.

3. To pay to Beneficiary each month, together with and in addition to any regular installments of principal and/or interest due under the Note, until the indebtedness secured hereby is paid in full, an amount estimated by Beneficiary to be necessary to enable Beneficiary to pay at least thirty (30) days before they become due, all taxes, assessments and other similar charges against the Property, including any amounts which may become payable by Trustor pursuant to Paragraph 1) below, and premiums for the policies of insurance required by Paragraph 3 below. Beneficiary shall not be obligated to pay interest on any such sums. No portion of the sums so deposited shall be considered to constitute funds deposited in trust with Beneficiary and/or its servicing agent, and such sums may be commingled with other accounts held by Beneficiary. Trustor shall deliver to Beneficiary, upon demand of Beneficiary, such sums as are necessary to enable Beneficiary to pay such taxes, assessments, insurance premiums and similar charges. If there shall be a default under any of the provisions of the Deed of Trust resulting in a private or public sale of the Property or if the Beneficiary acquires the Property otherwise after default, the Beneficiary shall apply at the time of the commencement of such proceeding or at the time the Property is otherwise acquired, the balance then remaining in the funds accumulated under this Paragraph 3, as a credit against the amount of principal remaining unpaid under the Note.

4. Should Trustor fail or refuse to make any payment or do any act which it is obligated hereunder to make or do, at the time and in the manner herein provided, then Beneficiary, or Trustee upon written instructions from Beneficiary (the legality thereof to be determined solely by Beneficiary), may, without notice to or demand upon Trustor, without releasing Trustor from any obligation hereunder and without waiving its right to declare a default as herein provided or impairing any declaration of default or election to cause the Property to be sold or any sale proceeding predicated thereon: (a) Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary and Trustee being authorized to enter upon and take possession of the Property for such purposes; (b) commence, appear in and/or defend any action or proceedings purporting to affect the security hereof, and/or any additional or other security for the obligations secured hereby, the interest, rights, powers and/or duties of Trustee and/or Beneficiary hereunder; whether brought by or against Trustor, Trustee or Beneficiary; and (c) pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of either Trustee or Beneficiary may affect or appear to affect the security of this Deed of Trust, the interest of Beneficiary or the rights, powers and/or duties of Trustee and/or Beneficiary hereunder.

5. Trustor shall keep the improvements now existing or hereafter erected on the Property and all fixtures and personal property that are security for payment of the indebtedness, insured under insurance policies in form and substance satisfactory to Beneficiary, issued by companies satisfactory to Beneficiary. Such policy shall be written on an all-risks basis and shall include such other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Beneficiary. Such insurance policies shall contain a non-contributing mortgagee clause (in favor of and entitling Beneficiary or its designated trustee to collect any and all proceeds payable under all such insurance), a waiver of subrogation endorsement, a replacement cost endorsement, a stipulated value endorsement and an inflation guard endorsement, all in form acceptable to the Beneficiary and in amounts sufficient to prevent the Trustor and/or the Beneficiary becoming a co-insurer of any loss. In no event shall the amount of insurance be less than the full replacement cost of the Property, excluding land value, foundations, and excavation costs. Trustor shall also purchase and maintain full rent loss insurance, on terms and conditions satisfactory to Beneficiary, and with companies satisfactory to Beneficiary, with Beneficiary as loss payee, in an amount equal to not less than Three Hundred Thousand

Dollars (\$300,000.00). The proceeds of such rental loss insurance shall be assigned to Beneficiary and shall be used to pay taxes, expenses, and debt service on the Property until the improvements have been restored and placed in operation at which time the balance of such proceeds shall be paid to Trustor if Trustor is not in default hereunder. All such insurance policies and renewals thereof shall be delivered to and held by the Beneficiary. Trustor shall also obtain comprehensive general public liability insurance in form and amount satisfactory to Beneficiary and naming Beneficiary as an additional insured. If Trustor fails to provide such policies then Beneficiary may, at its option, procure such insurance on behalf of Trustor and any sums paid for such insurance shall be immediately reimbursed to Beneficiary by Trustor. Trustor shall not carry separate insurance concurrent in kind or form or contributing in the event of loss, with any insurance required hereunder. In the event of a change in ownership or the character of occupancy of the Property, Trustor shall deliver immediate notice to the Beneficiary. The Trustor hereby authorizes the Beneficiary at its option to collect, adjust and compromise any losses under any of the insurance aforesaid and after deducting costs of collection to apply the proceeds at its option as follows: (a) as a credit upon any portion, as selected by Beneficiary, of the indebtedness secured hereby, or (b) to restoring the improvements, in which event the Beneficiary shall not be obligated to see to the proper application thereof nor shall the amount so released or used be deemed a payment on any indebtedness secured hereby, or (c) to deliver same to the owner of the Property. In the event of foreclosure of this Deed of Trust, or other transfer of title to the Property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Trustor, in and to any insurance policies then in force, shall pass to the purchaser or grantees. All insurance policies required by this paragraph shall provide for at least thirty (30) days written notice to Beneficiary of cancellation for any reason including nonpayment of premiums.

5. Trustor shall keep all buildings and improvements which now are or shall hereafter be erected upon the Property in good and tenable condition and repair, shall neither commit nor permit waste thereof, and shall neither remove nor demolish nor alter nor impair the design or structural character of any building or improvement now existing or which hereafter may be erected upon the Property unless Beneficiary shall first consent thereto in writing. Should Trustor fail so to do, Beneficiary may at its option make advisable or necessary repairs or remedy any waste and Beneficiary, acting through its employees, agents or attorneys, is hereby authorized to enter upon and take possession of the Property for such purpose.

7. Trustor shall pay when due all claims for labor performed and materials furnished on the Property and shall keep the Property free of mechanics' and materialmen's liens.

8. Trustor shall pay to Trustee and to Beneficiary, respectively, immediately and without demand, all amounts and sums of money which they shall respectively pay or expend pursuant to the provisions, or any of them, herein contained, together with interest upon each of said amounts from date of expenditure until paid at the Default Rate of the Note, and if not so repaid by Trustor, all sums advanced or expended by Trustee or Beneficiary pursuant to the provisions hereof, together with said interest, shall be added to the debt and secured hereby.

9. Trustor shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property, and Trustor shall not suffer or permit any act to be done in or upon this Property in violation thereof.

10. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Part of Trust and the Note to Trustee for cancellation and retention and upon Trustor's payment of Trustee's fee, Trustee shall reconvey, without warranty, the estate in the Property then held by Trustee. The grantee in such reconveyance may be designated and described as the "person or persons legally entitled thereto", or by other appropriate terms. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

11. In the event of default in the payment of the Note or any installment of interest and principal or interest or principal when due according to the terms of the Note of any agreement extending or modifying the Note, or in the payment of any of the other moneys herein agreed to be paid or of any interest thereon, or in the performance of any of Trustor's obligations, promises or agreements hereunder, or in the event that proceedings be instituted by or against the then owner of the Property under any bankruptcy or insolvency law, or in the event foreclosure of any lien shall be commenced, any of which shall constitute a breach of agreement and an event of default hereunder, then, at its option, Beneficiary may declare the entire unpaid balance of the indebtedness secured hereby immediately due and payable by delivery to Trustee of a written declaration of default and demand for sale and a written notice of default and of election to cause to be sold the Property, which latter notice Trustee shall cause to be duly filed for record.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. If the Property consists of several known lots or parcels, Beneficiary may designate the order in which such parcels shall be sold or offered for sale, subject always, however, to any unqualified statutory right which Trustor may have to direct such order. Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale.

Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may, if allowed to do so by statute, postpone such sale by public announcement at the time fixed by the preceding postponement; and without further notice it may make such sale at the time to which the same shall be postponed, provided, however, that the sale or any postponement thereof must be made at the place fixed by the original notice of sale.

12. Trustee, after making such sale, and upon receipt of the purchase price, shall make, execute and deliver to the purchaser or purchasers its deed or deeds conveying the Property so sold, but without any covenant or warranty, express or implied, and shall apply the proceeds of said sale to payment, FIRSTLY, of the expenses of such sale, together with the reasonable expenses of this Trust, including Trustee's fees and cost of evidence of title in connection with sale and revenue stamps on Trustee's deed; SECONDLY, of all moneys paid, advanced or expended by Beneficiary under the terms hereof, not then repaid, together with the interest thereon as herein provided; THIRDLY, of the amount of the principal and interest on the Note then remaining unpaid; and LASTLY, the balance or surplus, if any, of such proceeds of sale to the person or persons legally entitled thereto, upon satisfactory proof of such right.

13. In the event of a sale of the Property, or any part thereof, and the execution of a deed or deeds therefor under these trusts, the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof and of the fact that said sale was regularly and validly made in accordance with all requirements of the law of the State of California and of this Deed of Trust; and any such deed or deeds, with such

recitals therein, shall be effectual and conclusive against Trustor and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligations to see to the proper application of the purchase money according to the trusts aforesaid.

14. As additional security, Trustor hereby grants to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any part of the indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. In case default be made in payment of any part of the indebtedness secured hereby or in performance of any of Trustor's obligations, promises or agreements herein contained, then Beneficiary shall be entitled at any time during the continuance of any such default, and without notice, in its sole discretion, either by its agents, attorneys, employees, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, to enter upon and take possession of the Property and every part thereof, exclude Trustor therefrom, to do and perform any acts of repair that Beneficiary may deem necessary or proper to conserve the value thereof, to use, operate, manage and control the Property and rent or lease the same or any part thereof for such rental and upon such terms and conditions as its judgment may dictate, and in its own name to sue for or otherwise collect and receive all rents, issues and profits thereof, including those past due and unpaid as well as those accruing thereafter. In order that the powers in this paragraph contained may be given full force and effect, Trustor further agrees that Beneficiary may also take possession of, and for these purposes use, any and all personal property contained in the Property and used by Trustor in the rental or leasing of the Property or any part thereof. Beneficiary may apply all such rents, issues and profits collected or received by it (less costs and expenses incurred in taking possession of operation and collection, including reasonable attorney's fees, reasonable compensation paid to any agent appointed by Beneficiary and any receiver's fees) upon any portion of the indebtedness secured hereby, and in such order as Beneficiary may determine. Neither the entering upon and taking possession of the Property, nor the collection of such rents, issues and profits and the application thereof as aforesaid, shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice; nor shall the exercise of this right and power by

Beneficiary be construed to be an affirmation by it of any tenancy, lease or option theretofore existing or a subordination of the lien of this Deed of Trust thereto. The right to take such possession and collect such rents, issues and profits shall be cumulative to the right and remedy to declare a default and to cause notice of default to be recorded, and cumulative to any other right or remedy provided herein or at law or in equity, and may be exercised concurrently or independently.

15. All judgments, awards of damages and settlements hereafter made as a result of or in lieu of any condemnation or other proceedings for public use of or for any damage to the Property or the improvements thereon or any part thereof are hereby assigned and shall be paid to Beneficiary. Trustor agrees to execute such further assignments of any such award, judgment or settlement as Beneficiary may require and to deliver Beneficiary all proceeds of any such award, judgment or settlement which may be received by Trustor. Beneficiary may apply any and all such sums on any portion of the indebtedness selected by it, whether then matured or subsequently to mature; or, at its option, the entire amount so received by it or any part thereof may be released to Trustor. Neither the application nor the release of any such sums shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice; nor shall Beneficiary be held responsible for any failure to collect any award; nor shall anything in this section affect the liability of Trustor for payment of the entire balance of the debt secured hereby.

16. Without affecting the personal liability of any person, including Trustor (other than any person released pursuant hereto), for the payment of the indebtedness secured hereby, and without affecting the lien of this Deed of Trust for the full amount of the indebtedness remaining unpaid upon any property not reconveyed pursuant hereto, Beneficiary and Trustor are respectively authorized and empowered as follows: Beneficiary may, at any time and from time to time, either before or after the maturity of the Note, and with notice: (a) release any person liable for the payment of any of the indebtedness, (b) make any agreement extending the time or otherwise altering the terms of payment of any of the indebtedness, (c) accept additional security then or of any kind, (d) release any property, real or personal, securing the indebtedness. Trustor may, without liability herefor and without notice, at any time and from time to time so long as the lien or charge hereof shall subsist, but only upon the written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement: (e) consent to the making of any map or plat of the Property,

(b) join in granting any easement thereon or in creating any covenants restricting use or occupancy thereof, (c) recovery, without warranty, any part of the Property, (d) join in any agreement extending or in any agreement subordinating the lien or charge hereof.

17. If the indebtedness secured hereby is now or hereafter further secured by security agreements covering personal property, deeds of trust, pledges, contracts of guaranty or other additional securities, Beneficiary may, at its option, exhaust any one or more of said securities as well as the security hereunder, either concurrently or independently and in such order as it may determine, and may apply the proceeds received upon the indebtedness secured hereby without affecting the status of, or waiving any right to exhaust all or any other security including the security hereunder and without waiving any breach or default or any right or power, whether exercised hereunder or contained herein or in any such security.

18. Acceptance by Beneficiary of any sum in payment or part payment of any portion of the indebtedness secured hereby after the same is due shall not constitute a waiver of Beneficiary's right to require prompt payment when due of all other sums secured hereby, nor shall such acceptance cure or waive any remaining default or waive any subsequent default or prejudice any of the rights of Beneficiary under this Deed of Trust.

19. In the event of the passage, after the date of this Deed of Trust, of any law deducting from the value of the Property for the purposes of taxation any lien thereon, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust, or the manner of the collection of any such taxes, or imposing payment of the whole or any portion of any taxes, assessments or other similar charges against the Property upon the Beneficiary, the indebtedness secured hereby shall immediately become due and payable at the option of the Beneficiary; provided, however, such election by Beneficiary shall be ineffective if prior to the due date: (i) Trustor is permitted by law and can become legally obligated to pay such tax or the increased portion thereof (in addition to all interest and other charges payable hereunder and under the Note without exceeding the applicable limits imposed by the usury laws of the State of California); (ii) Trustor does pay such tax or increased portion; and (iii) Trustor agrees with Beneficiary in writing to pay, or reimburse Beneficiary for the payment of, any such tax or increased portion thereof when

thereafter levied or assessed against the Property or any portion thereof. The obligations of Trustor under such agreement shall be secured hereby.

20. At the option of Beneficiary the entire unpaid balance of the indebtedness secured hereby shall become immediately due and payable as in the case of any default and, as provided in the preceding sections, Trustee shall sell the Property if Trustor, without first obtaining the written consent of Beneficiary thereto, shall attempt to assign the rents, or any part thereof, from the Property; or shall consent to the cancellation or surrender of any lease of the Property or of any part thereof, now existing or hereafter to be made having an unexpired term of one (1) year or more and which is for 2,500 square feet or more; unless Trustor has obtained a new lease upon at least as favorable terms as the lease being cancelled or surrendered, or unless the existing lease is in default and the cancellation or surrender is because of such default; or shall modify any such lease so as to shorten the unexpired term thereof, or so as to decrease the amount of the rent payable thereunder, or shall receive or collect more than one (1) month rent in advance; or shall remove any fixtures or equipment without suitable replacements of at least equal value being immediately made and installed in the Property; or shall in any other manner impair, or threaten to impair, the value of the Property or the security of Beneficiary for the payment of the indebtedness hereby secured.

21. Beneficiary shall be subrogated to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this Deed of Trust.

22. Beneficiary may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the successor Trustee's predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded, and the name and address of the new Trustee.

23. Beneficiary, by any authorized agent or employee, may at any reasonable time enter upon and inspect the Property.

24. Trustor has executed and delivered to Beneficiary, a security agreement covering the chattels and personal property installed in or used in connection with the operation of the premises hereby granted and conveyed and an Absolute Assignment of Leases and Rents in favor of Beneficiary. All obligations thereunder shall be secured hereby and any default thereunder shall be a default under this Deed of Trust, and all amounts owed by or due from Trustor under any of said documents shall be a part of the indebtedness secured hereby.

25. Trustor shall submit annual operating statements certified by Trustor, setting out in reasonable detail income and expenditures from the operation of the Property to be received by Beneficiary within ninety (90) days from the end of each fiscal year of the Trustor. Each annual statement shall include an annual rental schedule and a schedule of gross receipts from any tenant obligated to pay percentage rents. If these statements are not received by the due dates Beneficiary shall have the right to have independent auditors of Beneficiary's choice inspect the books and other records of the Trustor in order to obtain and verify the necessary information. The cost of such inspection shall be reimbursed to Beneficiary immediately with interest from the date of expenditure at the interest rate of the Note. In addition, Beneficiary or its agents shall have the right, upon five (5) days' written notice to Trustor, to inspect and make copies of Trustor's books and records and income tax returns with respect to the Property for the purpose of verifying such annual statements.

26. Any remedy herein provided shall not be exclusive of any other remedy given by the terms hereof or now or hereafter existing at law or in equity, but shall be cumulative.

27. The failure by Beneficiary promptly to exercise any right, power, or remedy provided herein or at law or in equity shall not constitute a waiver of the same, nor shall Beneficiary thereby be estopped from later exercising such right, power, or remedy.

28. The invalidity of any one or more agreements, provisions, phrases, clauses, sentences, or paragraphs of this Deed of Trust shall not affect the remaining portions of this Deed of Trust or any part thereof and this Deed of Trust shall be construed as if such invalid agreement, provisions, clauses, phrases, sentences, or paragraphs, if any, had not been inserted herein.

29. This Deed of Trust shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto, and shall be so construed that wherever applicable with reference to any of the parties hereto, the use of the singular number shall include the plural number, the use of the plural number shall include the singular number and the use of any gender shall include all genders. All obligations of Trustor hereunder are joint and several. The term Beneficiary shall mean the owner and holder, including pledgees, of the Note secured hereby, whether or not named as Beneficiary herein.

30. Trustor hereby requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

31. This Deed of Trust and the rights, obligations, and indebtedness secured hereby shall be construed and enforced according to the laws of the State of California.

32. For any statement regarding the obligation secured hereby, Beneficiary may charge the maximum amount permitted by law at the time of the request therefor.

33. Should Trustor sell, convey, transfer or dispose of the Property, or any part thereof, or any interest therein, or place any secondary lien or encumbrance thereon, or agree to do so, (whether voluntarily or by operation of law), without the written consent of Beneficiary being first obtained which consent shall not be unreasonably withheld, the Beneficiary shall have the right, at its option, to declare all sums secured hereby forthwith due and payable with a prepayment premium as referenced in the Note. This option may be exercised at any time after the occurrence of such event and the acceptance of one or more installments from any person thereafter shall not constitute a waiver of Beneficiary's option. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. Beneficiary specifically reserves the right to condition its consent to a sale, transfer, assignment or conveyance (by way of illustration but not by way of limitation) upon its approval of sufficient evidence presented by Trustor, of the purchaser's, assignee's transferee's, or subsequent owner's of the Property:

(a) net worth and current income sufficient to pay all sums due on the Note with due;

Sale
of
Property

requirement
of law

(b) substantial and successful managerial experience with properties of similar size and character;

(c) good credit history; and

upon payment to Beneficiary of a fee not to exceed two percent (2%) of the outstanding principal balance at the time of the transfer and all expenses incurred by Beneficiary for the review of such evidence.

Notwithstanding anything set forth above to the contrary, the partnership of Trustor may transfer partnership interests provided that two (2) or more of the present general partners (i.e., William F. Masley, Edwin F. Moore, William Keller and Gregory M. Daniels) remain as general partners and retain a minimum of fifty-one percent (51%) combined general partnership interest.

For the purpose of, and without limiting the generality of the foregoing, the occurrence at any time of any of the following events, without Beneficiary's prior written consent, shall be deemed to be an unpermitted transfer of the Property and therefore an event of default hereunder:

(a) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, all or any part of the legal and/or equitable title to the Property;

(b) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any share of stock of any corporate trustor;

(c) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any general partnership interest in any partnership trustor.

No such consent shall be considered by the Beneficiary unless the appropriate service fees and legal fees are paid in advance and no such consent shall be given unless the Trustor agrees, inter alia, that immediately upon closing of the subject sale or transfer, to provide Beneficiary with a copy of the deed or other instrument conveying title to the Property and with an assumption agreement from the transferee in form satisfactory to the Beneficiary and its legal counsel.

14. Trustor shall, and Trustor shall cause all employees, agents, contractors and subcontractors of Trustor and any other persons present on or occupying the Property to, keep

and maintain the Property, including the soil and ground water thereof, in compliance with, and not cause or permit the Property, including the soil and ground water thereof, to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions thereon (including but not limited to any "Hazardous Materials Laws" as hereinafter defined). Neither Trustor nor employees, agents, contractors and subcontractors of Trustor or any other persons occupying or present on the Property shall use, generate, manufacture, store or dispose of on, under or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any Hazardous Materials Laws (collectively referred to hereinafter as "Hazardous Materials").

Trustor shall immediately advise Beneficiary in writing of: (i) any notices (whether such notices are received from the Environmental Protection Agency, the Occupational Safety and Health Agency, the Department of Health Services, the State Water Quality Control Board, the Department of Sanitation, the Department of Public Works or any other federal, state or local governmental agency or regional office thereof) of violation or potential violation which are received by Trustor of any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Hazardous Substances Account Act, the Hazardous Substances Act, the Occupational Health and Safety Act, the Porter-Cologne Water Quality Control Act, the Solid Waste Management Act of 1980, the Toxic Pit Cleanup Act, the Underground Tank Act of 1984, and the California Water Quality Improvement Act (collectively "Hazardous Materials Laws"); (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Hazardous Materials Laws; (iii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iv) Trustor's discovery of any occurrence or condition on or near real property adjoining or in the vicinity of the Property that could cause the Property or any

Hazard
Material
Prohibited
and
Not for

part thereof to be classified as "border-some property" under the provisions of California Health and Safety Code, Sections 35220 et. seq. or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Laws.

Beneficiary shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' and consultants' fees in connection therewith paid by Trustor upon demand.

Trustor shall be solely responsible for, and shall indemnify and hold harmless Beneficiary, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence (whether prior to or during the term of the loan secured by this Deed of Trust) of Hazardous Materials on, under or about the Property (whether by Borrower or a predecessor in title or any employees, agents, contractor or subcontractors of Borrower or any predecessor in title or any third persons at any time occupying or present on the Property), including, without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans; (c) damage to any natural resources; and (d) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a), (b) and (c), including but not limited to reasonable attorneys' and consultants' fees.

Any costs or expenses incurred by Beneficiary for which Trustor is responsible or for which Trustor has indemnified Beneficiary shall be paid to Beneficiary on demand, and failing prompt reimbursement, shall be added to the indebtedness secured by this Deed of Trust and earn interest at the Default Rate until paid in full.

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of Hazardous Materials on, under, or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any

*Hazardous materials
Borrower
Solely
responsible
G indemnify
lender*

Hazardous Material Claims, which remedial action, settlement, consent or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, or (ii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder.

Upon Beneficiary's request, Trustor shall retain, at Trustor's sole cost and expense, a licensed geologist, industrial hygienist or an environmental consultant (referred to hereinafter as the "Consultant") acceptable to Beneficiary to conduct a baseline investigation of the Property for the presence of Hazardous Materials ("Environmental Audit"). The Environmental Audit shall be performed in a manner reasonably calculated to discover the presence of Hazardous Materials contamination; provided, however, such investigation shall be of a scope and intensity no greater than a baseline investigation conducted in accordance with the general standards of persons providing such services taking into consideration the known uses of the Property and property in the vicinity of the Property and any factors unique to the Property. The Consultant shall concurrently deliver the results of its investigation in writing directly to Trustor and Beneficiary without prior consultation with either party unless conducted in the presence of the other party. Such results shall be kept confidential by both Trustor and Beneficiary unless legally compelled or required to disclose such results or disclosure is reasonably required in order to pursue rights or remedies provided herein or at law.

If Trustor fails to pay for or obtain an Environmental Audit as provided for herein, Beneficiary may, but shall not be obligated to, obtain the Environmental Audit, and either demand reimbursement from Trustor or add the cost thereof to the indebtedness secured by this Deed of Trust, in which case interest shall accrue on such sum at the Default Rate.

Trustor covenants to reasonably cooperate with the Consultant and to allow entry and reasonable access to all portions of the Property for the purpose of Consultant's investigation. Trustor covenants to comply, at its sole cost and expense, with all recommendations contained in the Environmental Audit, including any recommendation for additional testing and studies to detect the presence of Hazardous Waste Materials, if Beneficiary requires the implementation of the same.

35. Any default under any of the terms and conditions of that Certain Note, Deed of Trust, Absolute Assignment of Leases and Rents and Agreement Granting Security Interest in Personal Property, Equipment and Fixtures, all of even date herewith, executed by North Coast Centers, a California Limited Partnership concerning certain real property described on Exhibit "A" attached hereto in favor of Beneficiary shall be deemed to be a default hereunder and shall give rise to the same remedies provided for herein with respect to a default hereunder or under the Note, Absolute Assignment of Leases and Rents and Agreement Granting Security Interest in Personal Property, Equipment and Fixtures.

36. This Deed of Trust is made in connection with a loan arranged by DWYER-CURLETT & CO., a licensed California real estate broker (license #0-313081, expiring March 20, 1990).

NORTH COAST CENTERS,
a California Limited Partnership

By: [Signature]
William P. Masley,
General Partner

By: [Signature]
Edwin P. Moore,
General Partner

By: [Signature]
William Keller,
General Partner

By: [Signature]
Gregory M. Daniels,
General Partner

STATE OF CALIFORNIA }
COUNTY OF Santa Barbara } ss.

On MAY 5, 1989, before me, the undersigned,
a Notary Public in and for said State, personally appeared
WILLIAM P. NEALEY, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person who executed the
within instrument as one of the general partners, on behalf of
NORTH COAST CENTERS, a California Limited Partnership, the
partnership therein named, and acknowledged to me that such
partnership executed the same.

WITNESS my hand and official seal.

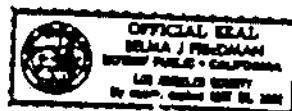


Betty Bolton
Notary Public in and for Said State

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On MAY 8, 1989, before me, the undersigned,
a Notary Public in and for said State, personally appeared
EDWIN F. MOORE, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person who executed the
within instrument as one of the general partners, on behalf of
NORTH COAST CENTERS, a California Limited Partnership, the
partnership therein named, and acknowledged to me that such
partnership executed the same.

WITNESS my hand and official seal.



Selma J. Friedman
Notary Public in and for Said State

GOVERNMENT CODE 27361.7

I CERTIFY UNDER THE PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY Becky Baiton

NAME OF COUNTY Santa Barbara

DATE COMMISSION EXPIRES June 1, 1990

DATED: May 11, 1989

SAN LUIS OBISPO, CALIFORNIA

TICOR TITLE INSURANCE COMPANY

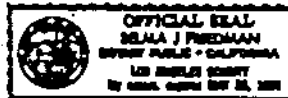
Jasmine Palmer

VI 3315 PM

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On May 3, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared WILLIAM KELLER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of NORTH COAST CENTERS, a California Limited Partnership, the partnership therein named, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



Selma J. Friedman
Notary Public in and for Said State

STATE OF CALIFORNIA }
COUNTY OF Santa Barbara } ss.

On May 5, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared GREGORY M. DANIELS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as one of the general partners, on behalf of NORTH COAST CENTERS, a California Limited Partnership, the partnership therein named, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



Becky Blyden
Notary Public in and for Said State

GOVERNMENT CODE 27361.7

I CERTIFY UNDER THE PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY Becky Bolton
NAME OF COUNTY Santa Barbara
DATE COMMISSION EXPIRES June 1, 1990

DATED: May 11, 1989
SAN LUIS OBISPO, CALIFORNIA

TICOR TITLE INSURANCE COMPANY

Jasmine Palmer
WR 3313ME 724

EXHIBIT "A"

(Legal Description)

PARCEL 1:

Parcels A and D of Map No. AG82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982 in Book 33, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

PARCEL 2:

The non-exclusive easements, rights and benefits created by that certain Declaration of Restrictions and Grant of Easements dated March 4, 1981 and recorded on March 10, 1981 as Document No. 16222 in the Official Records of the County Recorder of San Luis Obispo County pertaining to and over portions of the real property described as follows:

Parcel B and CC of Map No. AG-82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982, in Book 33, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

EXHIBIT "A"

1377/402L/C1479-048/04-14-89/mia

va 3315na 7

EXHIBIT "B" TO DEED OF TRUST

PARCEL ONE:

PARCELS "A" AND "C" AS SHOWN AND DESIGNATED ON THE MAP OF PARCEL MAP NO. 13,832 IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, FILED IN BOOK 23, PAGE 90 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL TWO:

NON-EXCLUSIVE EASEMENTS CREATED BY THAT CERTAIN DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS DATED SEPTEMBER 11, 1988 AND RECORDED SEPTEMBER 23, 1988 AS REEL NO. 88-37947, AS AMENDED BY THAT CERTAIN AMENDMENT TO DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS DATED OCTOBER 4, 1988 AND RECORDED IN SAID OFFICIAL RECORDS ON OCTOBER 27, 1988 AS REEL NO. 88-43874 AND THAT CERTAIN AMENDMENT NO. 2 TO DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS DATED NOVEMBER 21, 1988 AND RECORDED IN SAID OFFICIAL RECORDS ON NOVEMBER 26, 1988 AS REEL NO. 88-49224 AND ALL AS INCORPORATED IN AND GRANTED TO ACON PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP IN THE DEED RECORDED NOVEMBER 26, 1988 AS REEL NO. 88-49224 OF SAID OFFICIAL RECORDS OVER PORTIONS OF THE REAL PROPERTY IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

PARCEL "B" OF PARCEL MAP NO. 13,832 IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA SHOWN AND DESIGNATED ON THE MAP FILED IN BOOK 23, PAGE 90 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

END OF DOCUMENT

Vol 3315 Page 728

referred to
#16 & prelude

RECORDING REQUESTED BY
TICOR TITLE INSURANCE COMPANY
OF CALIFORNIA

14.01 RF
11.01 RF
25.03/17L

Recording Requested by and
When Recorded Return to:

DOC. NO. 30303
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA

MAY 16 1988

DWYER-CORLETT & CO.
6336 Wilshire Boulevard
Los Angeles, California 90048

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

166940-20

ABSOLUTE ASSIGNMENT OF LEASES AND RENTS

THIS ABSOLUTE ASSIGNMENT OF LEASES AND RENTS ("Assignment") is made April 14, 1988, by North Coast Centers, a California Limited Partnership, whose address is c/o Pacific Blue Group, 1165 Coast Village Road, Suite E, Santa Barbara, California 93108, (hereinafter called "Assignor"), to THE CANADA LIFE ASSURANCE COMPANY, a Corporation, organized and existing under the laws of the Dominion of Canada (hereinafter referred to as "Assignee");

WITNESSETH:

FOR VALUE RECEIVED and to induce Assignee to make the loan hereinafter described, Assignor hereby absolutely and unconditionally sells, assigns, grants, and transfers to Assignee all interest of Assignor, as Lessor in all Leases and any and all guarantees thereof (all hereinafter called "Leases") which affect that real property in the City of Arroyo Grande, County of San Luis Obispo, State of California, more particularly described in Exhibit "A" attached (hereinafter called the "Property").

TOGETHER WITH:

All rents, income, revenues, and profits now due, or which may become due, under the Leases or arising otherwise out of the property, or any interest therein, together with all rights which Assignor may have against all tenants or others under said Leases or otherwise in connection with the property (all hereinafter collectively called "Rents");

SUBJECT to a license hereby reserved to Assignor, but limited as hereinafter provided, to collect said Rents;

1351/405/C1470-045/04-13-88/m6

vr 3315ma 727

FOR THE PURPOSE OF DISCHARGING, in such order of priority as Assignee may determine:

A. Payment of that certain note (hereafter "Note") of even date herewith in the principal sum of Two Million Three Hundred Thousand Dollars (\$2,300,000.00) with interest thereon (and renewals, modifications, changes or extensions thereof), made by Assignor and payable to Assignee, or order, which Note is secured by a deed of trust upon the property, wherein Assignor is the Trustor and Assignee is the Beneficiary (hereafter "Deed of Trust"), an Agreement Granting Security Interest in Personal Property, Equipment and Fixtures ("Security Agreement") and other agreements affecting the property, executed by Assignor.

B. Payment of additional sums and interest thereon which may hereafter be loaned to Assignor by Assignee or Assignee's successors or assigns, when evidenced by a promissory note or notes reciting that the same are secured by the Deed of Trust.

C. Performance by Assignor of all obligations and agreements set forth in said Notes, this Assignment, the Deed of Trust, and Security Agreement, and in all other agreements affecting the property, or any portion thereof, executed by Assignor to Assignee, or for the purpose of supplementing or amending this Assignment.

All of the foregoing matters are herein called the "indebtedness."

TO PROTECT AND MAINTAIN THE SUBJECT MATTER OF THIS ASSIGNMENT, ASSIGNOR AGREES:

1. Assignor represents that it has good title to said Leases and Rents and full right and power to assign same; that no other person has any interest therein prior to that of Assignee; that the Leases are valid and are in full force and effect; that Assignor has not previously sold, assigned, or pledged the Rents; that no Rents have been collected in advance or discounted, or compromised; that Assignor has not received any funds or deposits from any tenant except in accordance with the Leases; and that the tenants and Assignor are not in default of any of the terms of the Leases.

2. Assignor agrees: to timely perform and discharge all of the indebtedness, this Assignment, and the Leases, on the part of the Assignor to be performed; to enforce or secure the performance of the Leases; to appear in and defend any action or

proceeding in connection with the Leases, and, upon request by Assignee, to do so in the name and in behalf of Assignee but at the expense of the Assignor; and to pay all costs and expenses of Assignee, including attorney's fees, in any such action or proceeding in which the Assignee may appear; and to furnish to Assignee, immediately upon receipt, copies of all notices, and demands from every tenant.

3. Assignor further agrees: not to receive or collect any Rents in advance of those called for in the Leases, nor pledge, or assign future Rents, nor release or discharge any tenant thereof or from any obligations under his Lease; not to agree to the subordination of any Lease to the lien of the Deed of Trust; not to cancel, modify, extend or renew any Lease or dispossess any tenant who occupies two thousand five hundred (2,500) square feet or more, except in the event that such tenant is in default of its Lease, without the prior written approval of Assignee; not to lease any part of the Property for any use which is contrary to the provisions of the Leases.

4. If any representation or warranty herein of Assignor shall be found to be untrue, or Assignor shall fail to perform any obligation hereunder, the same shall constitute a default hereunder at the election of Assignee, thereby entitling Assignee to declare all indebtedness immediately due and payable, and to exercise all rights and remedies provided thereunder and hereunder as well as by law or in equity.

5. So long as Assignor shall not be in default hereunder, Assignor shall have a license reserved hereby (but limited as herein provided) to collect all Rents, and to apply same: first, to the payment of all taxes and assessments, both general and special, upon the Property (all referred to herein as "Taxes"); secondly to such insurance as is required by the Deed of Trust; and thirdly, to the payment and performance of the indebtedness in accordance with the terms thereof, before using the Rents for any other purpose.

6. Upon default by Assignor hereunder, or if any guarantor of the indebtedness of Assignor to Assignee shall fail to pay or perform any of the terms of his Guaranty, Assignee may, at its option, without notice, terminate the license of Assignor to collect the Rents, and with or without bringing any action or proceeding, either in person, by agent, or by a receiver: enter upon, take possession of, manage, and operate the Property and collect the Rents, make, enforce and modify the Leases now or hereafter in effect; and otherwise perform all acts with respect to the Property, Leases and Rents as fully as Assignor could do if personally present and Assignee shall, after payment of all

expenses, credit the net amount of income which it may receive, to the indebtedness in the manner, order and amounts as Assignee shall determine.

Provided, that acceptance by Assignee of this Assignment shall not constitute Assignee a mortgagee in possession, or obligate Assignee to appear in or defend any action or proceeding relating to the Rents, Leases or the Property, or to take any action hereunder, or incur any expenses; nor shall Assignee be liable for any injury or damage to person or property sustained by any persons, in or about the Property; and

Provided, further, that the collection and application of Rents by Assignee shall not cure or waive any default hereunder or under any items of the indebtedness, except as applied by Assignee thereto.

7. Assignor hereby irrevocably appoints Assignee its true and lawful attorney, coupled with an interest, in the name of Assignor, to subordinate any Lease to the lien of the Deed of Trust and to collect all Rents payable under the Leases. This Assignment shall constitute a direction to and full authority to each such tenant and tenants to pay all Rents to Assignee. The foregoing powers are irrevocable, continuing, and exclusive in Assignee, its successors and assigns.

8. Assignor agrees to indemnify and hold Assignee harmless from all liability, loss, damage or expense which it may incur by reason of this Assignment, or any action taken by Assignee hereunder. Should Assignee incur any such liability, loss, damage or expense, Assignor shall pay the amount thereof (including reasonable attorneys' fees), with interest thereon at the Default Rate of the Note, to Assignee immediately and without demand, and such payment shall be secured by the Deed of Trust.

9. Assignor will keep the Property leased at good and sufficient rents, and all future leases, rental agreements and tenancy agreements affecting the Property shall be deemed immediately assigned to Assignee upon the same terms herein contained. Assignor agrees to execute unto Assignee upon demand any and all other instruments that Assignee may require to carry out the intent of this Assignment.

10. Failure of Assignee to avail itself of any provisions hereof shall not be a waiver of any of its rights; and nothing done or omitted by Assignee pursuant hereto, shall be a waiver of any of its rights and remedies under any of the items of indebtedness. The right of Assignee to collect the

indebtedness and enforce any security therefor may be exercised either prior to, simultaneously with, or subsequent to, any action hereunder.

11. Upon payment in full of all of the indebtedness, this Assignment, except for the provisions of Paragraph 8 hereof which shall continue in effect, shall be of no further effect.

12. Any notice, demand, or other communication to be given to any party hereunder shall be in writing and sent by regular or certified mail as follows:

To Assignor: (at the address set forth above)

To Assignee: (to the address to which Assignor has most recently been directed to make payments under the Note by the holder thereof)

Notice shall be deemed given forty-eight (48) hours after its deposit in the United States mail, postage prepaid, addressed as set forth above. The addresses and addressees may be changed by written notice thereof in the manner provided herein.

13. If Assignor retains any instruments evidencing the Lessee, such retention is for the convenience only of Assignor, and shall not defeat or diminish any right of Assignee hereunder. Assignor shall upon demand of Assignee deliver all such instruments.

14. The terms hereof shall run with the land and shall inure to the benefit of and bind all parties hereto and their respective legal representatives, successors and assigns, and all their tenants and subtenants. In this Assignment, the masculine gender shall include the others, the singular shall include the plural, and conversely, and the term "lease" and "tenant," and the plurals thereof, shall mean "sublease" and "subtenant" and "concessionaire," "concession," "licensee" and "license," and the plurals thereof. All obligations of each Assignor hereunder, if more than one, shall be joint and several.

15. This Assignment shall be governed by and construed in accordance with the laws of the State of California. The invalidity or unenforceability of any provision hereof shall not affect any other provision.

-5-

1382/40M/C1479-045/04-13-89/mfs

W 3315 mca 731

16. Time is strictly of the essence hereof and of any amendment or modification hereto.

17. This Assignment shall not create a security interest which requires possession of the property for perfection thereof, but shall be absolute, subject to a license reserved to Assignor as provided herein.

18. This Assignment may not be amended or modified except in writing signed by Assignor and Assignee.

IN WITNESS WHEREOF, this Assignment has been executed by Assignor as of the date first above written.

NORTH COAST CENTERS,
a California Limited Partnership

By: [Signature]
William F. Masley,
General Partner

By: [Signature]
Edwin F. Moore,
General Partner

By: [Signature]
William Keller,
General Partner

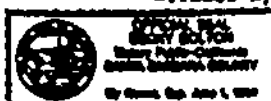
By: [Signature]
Gregory M. Daniels,
General Partner

Address: c/o Pacific Blue Group
1165 Coast Village Road
Suite E
Santa Barbara, CA 93108

STATE OF CALIFORNIA }
COUNTY OF Santa Barbara } ss.

On May 5, 1989, before me, the undersigned,
a Notary Public in and for said State, personally appeared
WILLIAM F. KEALEY, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person who executed the
within instrument as one of the general partners, on behalf of
NORTH COAST CENTERS, a California Limited Partnership, the
partnership therein named, and acknowledged to me that such
partnership executed the same.

WITNESS my hand and official seal.

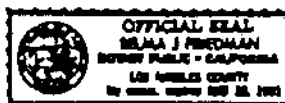


Betty Bolton
Notary Public in and for said State

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On May 8, 1989, before me, the undersigned,
a Notary Public in and for said State, personally appeared
EDWIN F. MOORE, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person who executed the
within instrument as one of the general partners, on behalf of
NORTH COAST CENTERS, a California Limited Partnership, the
partnership therein named, and acknowledged to me that such
partnership executed the same.

WITNESS my hand and official seal.



Melba J. Friedman
Notary Public in and for said State

GOVERNMENT CODE 27361.7

I CERTIFY UNDER THE PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY Becky Paltan
NAME OF COUNTY Santa Barbara
DATE COMMISSION EXPIRES June 1, 1990

DATED: May 11, 1989
SAN LUIS OBISPO, CALIFORNIA

TICOR TITLE INSURANCE COMPANY
Jannine Palmer

VR 3315MEL 734

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On May 2, 1989, before me, the undersigned,
a Notary Public in and for said State, personally appeared
WILLIAM KELLER, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person who executed the
within instrument as one of the partners, on behalf of NORTH
COAST CENTERS, a California Limited Partnership, the partnership
therein named, and acknowledged to me that such partnership
executed the same.

WITNESS my hand and official seal.



Selma J. Perelman
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF Santa Barbara)

On May 5, 1989, before me, the undersigned,
a Notary Public in and for said State, personally appeared
GREGORY W. DANIELS, personally known to me (or proved to me on
the basis of satisfactory evidence) to be the persons who
executed the within instrument as one of the general partners, on
behalf of NORTH COAST CENTERS, a California Limited Partnership,
the partnership therein named, and acknowledged to me that such
partnership executed the same.

WITNESS my hand and official seal.



Bolton Bolton
Notary Public in and for said State

-8-

1282/602/C1470-065/84-12-88/mc

Vol 3315 Page 735

GOVERNMENT CODE 27361.7

I CERTIFY UNDER THE PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY Becky Bolton
NAME OF COUNTY Santa Barbara
DATE COMMISSION EXPIRES June 1, 1990

DATED: May 11, 1989
SAN LOUIS OBISPO, CALIFORNIA

TICOR TITLE INSURANCE COMPANY

Jannice Palmer

VE 3315 PAGE 736

EXHIBIT "A"

(Legal Description)

PARCEL 1:

Parcels A and D of Map No. A051-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1961 in Book 22, Page 11 of Parcel Maps in the Office of the County Recorder of said County.

PARCEL 2:

The non-exclusive easements, rights and benefits created by that certain Declaration of Restrictions and Grant of Easements dated March 4, 1961 and recorded on March 10, 1961 as Document No. 10222 in the Official Records of the County Recorder of San Luis Obispo County pertaining to and over portions of the real property described as follows:

Parcel B and CC of Map No. A0-81-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1961, in Book 22, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

EXHIBIT "A"

1377/402/C1479-045/04-14-89/m6

END OF DOCUMENT

VR 3315 PAGE 737

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EXHIBIT "A"

(Legal Description)

PARCEL 1:

Parcels A and B of Map No. AG-82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982 in Book 22, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

PARCEL 2:

The non-exclusive easements, rights and benefits created by that certain Declaration of Restrictions and Grant of Easements dated March 4, 1981 and recorded on March 10, 1981 as Document No. 10222 in the Official Records of the County Recorder of San Luis Obispo County pertaining to and over portions of the real property described as follows:

Parcel B and CC of Map No. AG-82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982, in Book 22, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

EXHIBIT "A"

1377/608/C1679-465/04-14-89/mfo

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EXHIBIT "B" TO UCC-1

(Collateral)

All of the following described property, whether now or hereafter existing, and in which the Debtor now has or hereafter obtains any right, title, estate or interest:

A. All goods which are the property of Debtor and which are located on the real property described on Exhibit "A" which are used in the operation or occupancy of the real property or in any construction on that real property, which are not themselves a part of that real property, including but not limited to all appliances, furniture and furnishings, building service equipment such as space heaters, air conditioning units, internal and external plumbing and electrical apparatus, and building materials, supplies and equipment.

B. All general intangibles relating to the development or use of that real property, including but not limited to all governmental permits relating to construction in that real property, all names under or by which that real property or any improvements on that real property may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks and goodwill in any way relating to that real property.

C. All reserves, deferred payments, deposits, refunds, cost savings and payments of any kind relating to the construction of any improvements on that real property.

D. All water stock relating to that real property that is owned by the Debtor in common with others, and all documents of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of that real property.

E. All proceeds and claims arising on account of any damage to or taking of that real property or any improvements thereon or any part thereof, and all causes of action and recoveries for any loss or diminution in the value of that real property or any improvements and all rights of

EXHIBIT "B"
Page 1

1361/406/CL479-989/06-13-89/mfs

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the Debtor under any policy or policies of insurance covering the property and all proceeds, loss payments and premium refunds which may become payable with respect to such insurance policies.

F. All plans and specifications prepared for construction of improvements on that real property and all studies, data and drawings relating thereto; and also all contracts and agreements of the Debtor relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings, or to the construction of improvements on that real property.

The execution of this Security Agreement shall not be construed to derogate or impair the lien or provisions of the Deed of Trust from Debtor to Secured Party encumbering that real property with respect to any property described therein which is real property or which the parties have agreed to treat as real property. The intention of the Debtor and Secured Party is that everything owned by the Debtor and used in connection with the production of income from that real property and located thereon, or adapted for use therein is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as, real property and part of the real property physically attached to the improvements thereon. Similarly, nothing in this Security Agreement shall be construed to alter any of the rights of Secured Party as determined by the Deed of Trust or the priority of the Secured Party's lien created thereby, and this Security Agreement is declared to be for the protection of Secured Party in the event any court shall at any time hold that notice of Secured Party's priority of interest in any property or interest described in the Deed of Trust must, in order to be effective against a particular class of persons including but not limited to the Federal Government, and any subdivisions or entity of the Federal Government, be filed in the Commercial Code records.

EXHIBIT "B"
Page 2

1361/COM/CL478-045/04-11-00/mfo

vr 3315max 741

Recording requested by and
when recorded return to:

TOWN AND RANCH REALTY
701 Grand Avenue
Arroyo Grande, CA 93420

FILE COPY, PLEASE

rec'd
This was the document
I Rec'd when I bought
my house 4 yrs. ago. I've
just recently learned it
was never recorded &
Therefore not applicable.

Looking forward to
our meeting so we
can have a clear under-
standing of our & your
responsibilities

Barbara Fallerton

AMENDMENT TO EASEMENT CONDITIONS AND COVENANTS

THIS AMENDMENT to that certain instrument entitled "Grant of
Easement and Easement Conditions and Covenants," which was entered
into June 1, 1993, by and between OTR, an Ohio General Partnership,
NORTHCOAST ASSOCIATES, a California General Partnership, MERILEE
PECK NEWDOLL, VICTOR A. BUCCOLA and SALLY L. BUCCOLA, as Trustees
of THE VICTOR A. AND SALLY BUCCOLA FAMILY TRUST, and THELMA M.
WILLIAMS, which was recorded December 23,, 1993, in Book Instrument,
Page #080610, Official Records of San Luis Obispo County,
California:

Said instrument is hereby amended in the following respects,
only:

1. Paragraph 14 is hereby amended to read as follows:
14. "Grantee agrees that at any time Grantor may,
at its option, procure by a rider to its general
insurance coverage on the subject property insurance
written by one or more responsible insurance carriers

which will insure against liability for injury to and/or death of and/or damage to property of any person or persons, with policy limits of not less than one million dollars (\$1,000,000) combined single limit. Such policy or policies shall provide, among other things, (a) blanket contractual liability insurance recognizing and insuring the assumption of liability assumed by the purchaser thereof in Section 13 hereof, and (b) shall contain a provision that the insurer will furnish Grantor and Grantor's lessees and Grantee advance written notice of any cancellation or lapse, or the effective date of any reduction in the amounts or scope of coverage. Grantee shall be liable for, and shall pay within ninety (90) days of the date of billing therefor, the cost of such additional insurance rider."

2. Paragraph 25 is hereby amended to read as follows:

"25. Grantee agrees to be responsible at its cost and expense for insuring and maintaining the easement area and the landscaped slope area adjacent to the easement area, including the landscaping cover and all improvements located thereon, in good condition and repair. All charges incurred in connection with such maintenance of the easement area and the landscaped slope area, including furnishing irrigation water thereto (if necessary), shall be sent by Grantees within thirty (30) days of receipt of an itemized billing from the common area manager ("Manager"), acting on behalf of Grantor

pursuant to the Declaration. Grantee shall not be required to bring or furnish irrigation water to the landscaped area unless Grantor reasonably determines that irrigation is necessary for the actual maintenance of the landscaped area; upon Grantor making such determination Grantor shall give Grantee written notice to furnish irrigation water thereto, and Grantee shall have ninety (90) days from the date of such notice to do the same."

3. Paragraphs 28 and 33 are hereby deleted.

4. Paragraph 32 is hereby amended to read as follows:

"32. It is acknowledged and agreed that Grantee's property is currently being developed as an eight (8) lot residential subdivision, and that a Homeowners Association called 'Chelsea Court Homeowners Association' has been established and charged with the duty of performing all of the covenants, conditions, and duties of Grantee prescribed under this Agreement. Said Association shall be bound by and shall perform each and every condition and covenant set forth in this Agreement. Upon the sale of the last lot in said subdivision by Grantee, all of Grantee's covenants and duties under this Agreement shall pass to said Association, and Grantee and each of its participating members shall be released from any further liability hereunder."

/ / / /

/ / / /

/ / / /

IN WITNESS WHEREOF, the parties hereby have entered into this
Amendment this _____ day of _____, 1994.

OTR, an Ohio General Partnership

By: _____
General Partner

NORTHCOAST ASSOCIATES, a
California General Partnership,

By: _____
General Partner

Merilee Peck Newdell
MERILEE PECK NEWDOLL

Victor A. Buccola
VICTOR A. BUCCOLA, Trustee

Sally L. Buccola
SALLY L. BUCCOLA, Trustee

Thelma M. Williams
THELMA M. WILLIAMS

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO } S.S.

On MAY 25, 1994 before me,

PAULA HENDRICKSON

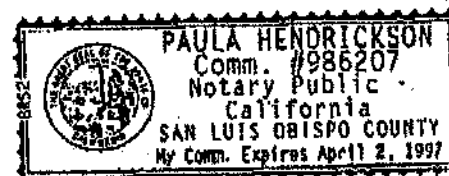
a Notary Public in and for said County and State, personally appeared
**MERILEE PECK NEWDOLL, THELMA M. WILLIAMS,
VICTOR A. BUCCOLA and SALLY L. BUCCOLA**
personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument 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

Signature

Paula Hendrickson

FOR NOTARY SEAL OR STAMP



CERTIFICATE OF ACKNOWLEDGEMENT

Staple

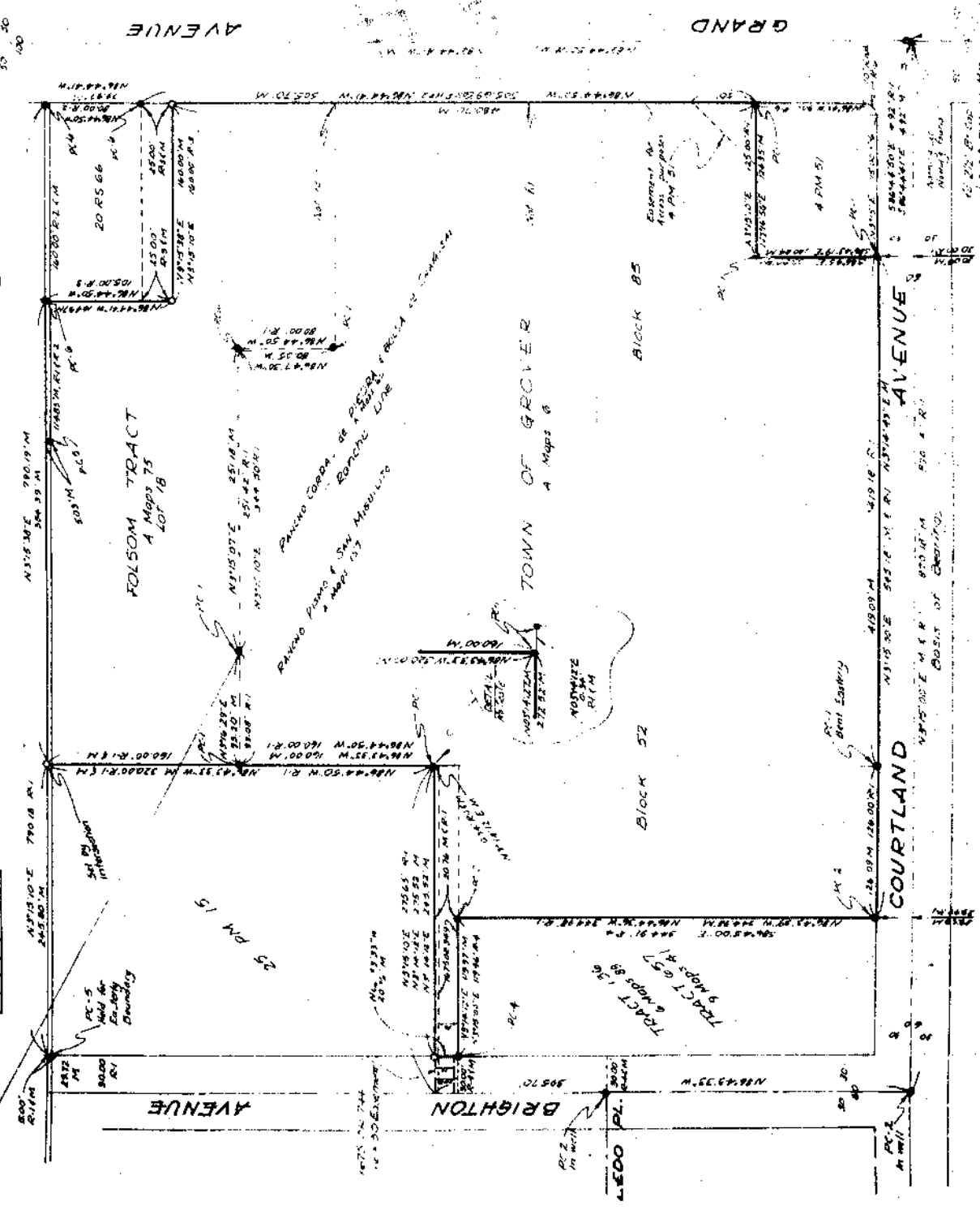
Staple

REFERENCES

- R-1 1985-2
- R-2 2035-6
- R-3 27-AM-66
- R-4 9-Maps-66
- R-5 6-Maps-66
- R-6 4-PM-51

LEGEND

- Monument set
- Monument found
- Monument
- PC-1 1-1-1910-1537-6 R-1
- PC-2 1-1-1910-1537-6 R-1
- PC-3 1-1-1910-1537-6 R-1
- PC-4 1-1-1910-1537-6 R-1
- PC-5 1-1-1910-1537-6 R-1
- PC-6 1-1-1910-1537-6 R-1



SURVEYOR'S CERTIFICATE

This map correctly represents a survey made by me or under my direction in accordance with the requirements of the Land Surveyors Act of the request of William Gortish in August, 1919

J. L. Bowser
County Surveyor
15-1039

COUNTY SURVEYOR'S CERTIFICATE

This map has been examined for conformity with the requirements of the Land Surveyors Act of the day of DEC 1919

J. L. Bowser
County Surveyor
15-1039

RECORDER'S CERTIFICATE

This map was filed for record on the 15th day of December, 1919, at 11:30 AM in Book 3 of Licensed Surveys of Page 4 in the request of Jerry L. Bowser

J. L. Bowser
County Surveyor
15-1039

J. L. Bowser
County Surveyor
15-1039

The Basis of Bearing for this map was taken from the centerline of Courtland Avenue as shown on Record of Survey recorded in Book 19 of Page 2 and bearing being noted as North 31° 15' 30" East

RECORD OF SURVEY

A portion of Block 85; A portion of Block 52; and a portion of Rimona Ave. in the Town of Grover for A Maps 6 and A portion of Lot 18 of the Folsom Tract for B Maps 75 City of Arroyo Grande County of San Luis Obispo State of California

J. L. Bowser
County Surveyor
15-1039

SURVEY DATA

Continuation of Survey of Block 53 and a portion of Block 52 and a portion of Ramona Ave. in the Town of Crows per A Map 5 and a portion of Lot 18 of the Palom Tract per B Map 75, in the City of Arroyo Grande, California.

CERTIFICATE

I, the undersigned, being duly sworn, depose and say that the foregoing is a true and correct copy of the original survey as the same appears from the records of the County of San Luis Obispo, California.



OWNER'S CERTIFICATE

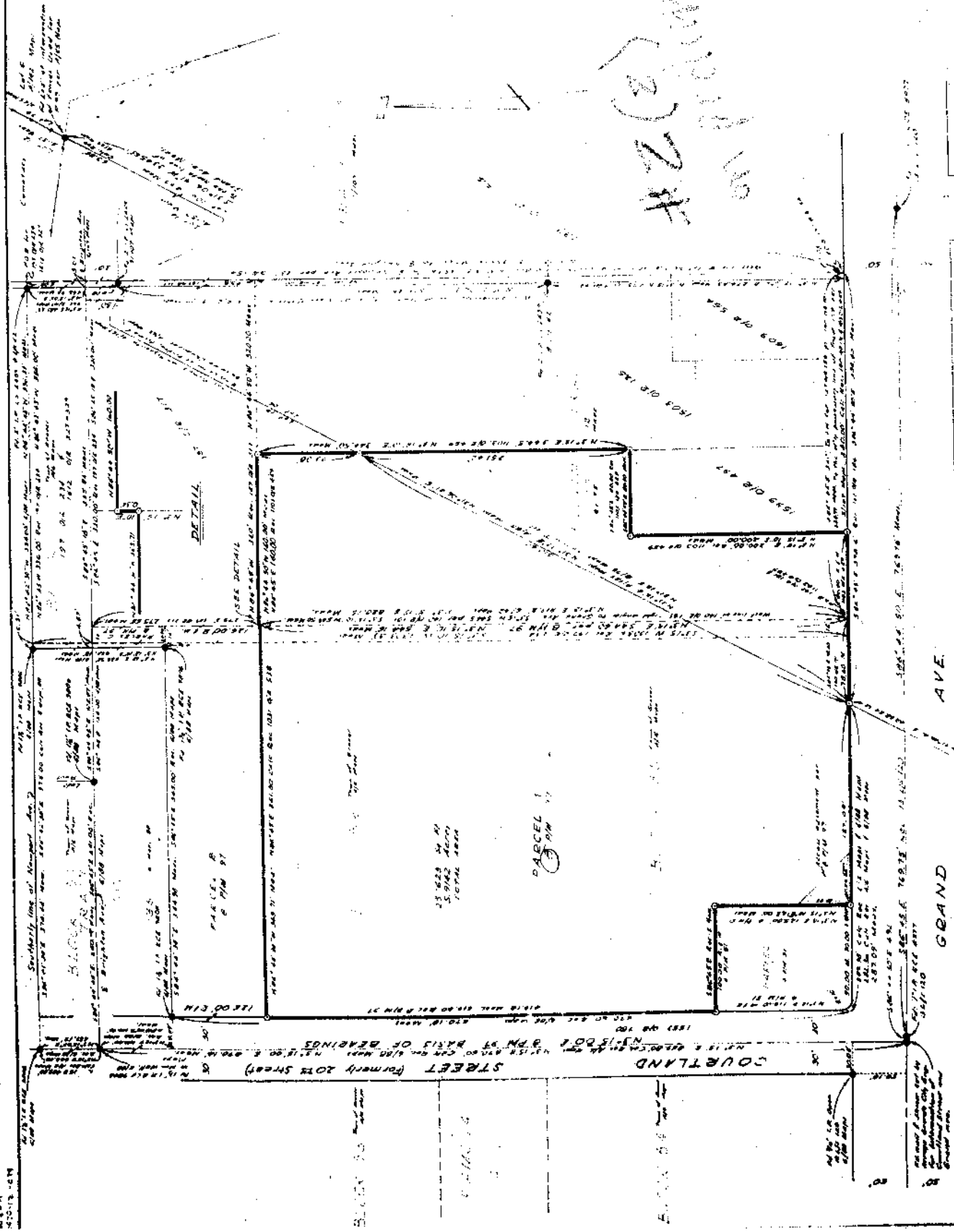
I, the undersigned, being duly sworn, depose and say that the foregoing is a true and correct copy of the original survey as the same appears from the records of the County of San Luis Obispo, California.

RECORD OF SURVEY

A portion of Block 53 and a portion of Block 52 and a portion of Ramona Ave. in the Town of Crows per A Map 5 and a portion of Lot 18 of the Palom Tract per B Map 75, in the City of Arroyo Grande, California.

Scale 1" = 60' - MAY 1912

GARING TAYLOR & ASSOC. INC.
Civil Engineers
Arroyo Grande, California



From the most westerly corner of Lot 18 of the Palom Tract, per B Map 75, to the most easterly corner of Lot 18 of the Palom Tract, per B Map 75, a line 100.00 feet long, bearing S 89° 59' 59\"/>

BLK 145
Parcel 1
Parcel 2

12

LOT LINE ADJUSTMENT
NO. 82-87
SHEET TWO OF TWO SHEETS

OF PARCELS "A", AND "B" OF LOT LINE ADJUSTMENT NO. 82-87 AS RECORDED IN P.M. 30-3 AND PARCEL "D" OF LOT LINE ADJUSTMENT NO. 82-87 AS RECORDED IN P.M. 30-13, BOTH IN THE OFFICE OF THE COUNTY RECORDER.

CITY OF SANTIAGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

MAY 1982

SCALE: 1" = 60'

SIMPSON LAND SUBDIVISION, INC.

3740 WARDEN AVE.

SAN DIEGO, CALIF. 92111

47-1-0211

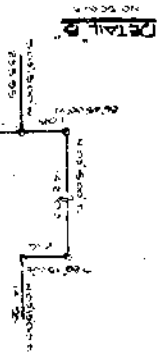
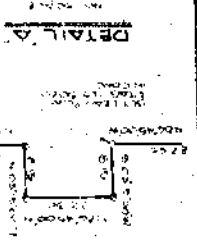
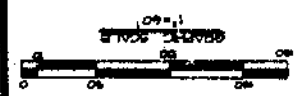
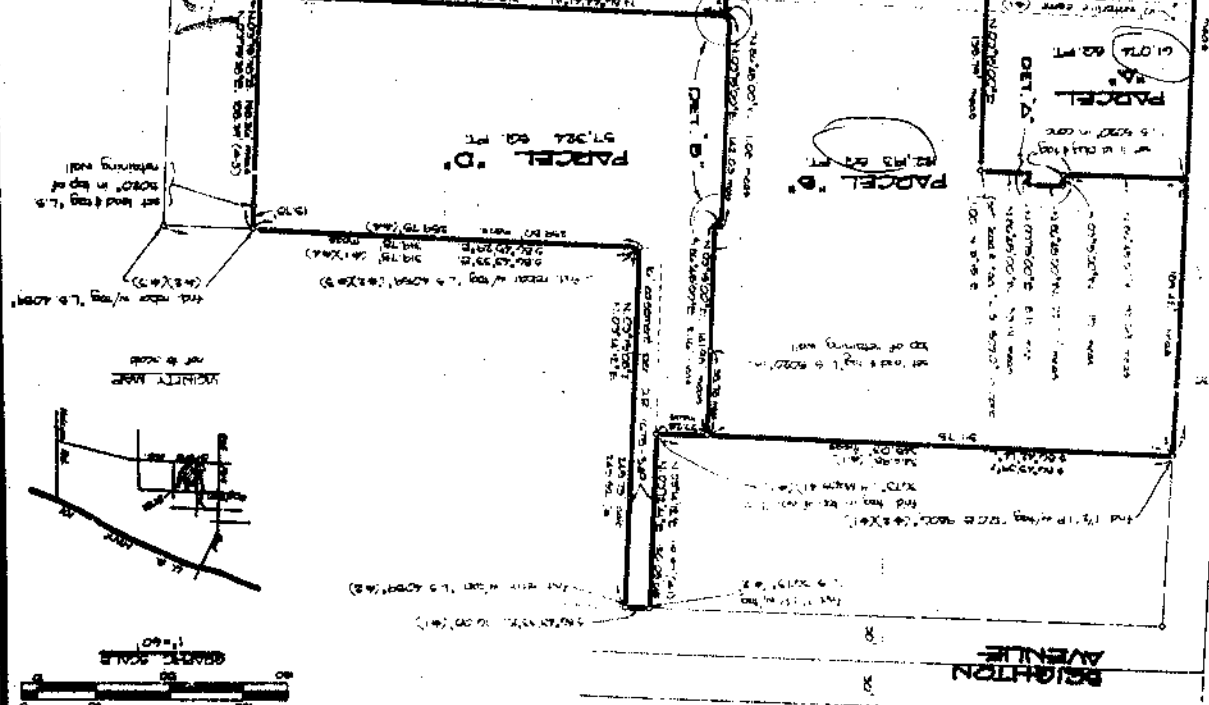
NOTES:

1. EXISTING AND PROPOSED LOT LINES, EASEMENTS, ENCUMBRANCES, AND EASEMENTS (RECORDED) SHOWN ON THIS MAP ARE BASED ON THE RECORDS OF THE COUNTY RECORDER, AND THE RECORDS OF THE COUNTY RECORDER, AND THE RECORDS OF THE COUNTY RECORDER.

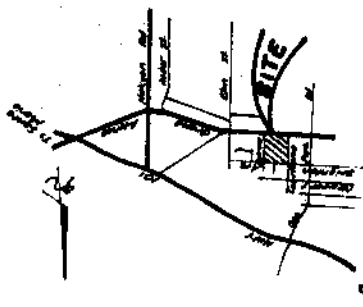
2. THE EXISTING AND PROPOSED LOT LINES, EASEMENTS, ENCUMBRANCES, AND EASEMENTS (RECORDED) SHOWN ON THIS MAP ARE BASED ON THE RECORDS OF THE COUNTY RECORDER, AND THE RECORDS OF THE COUNTY RECORDER, AND THE RECORDS OF THE COUNTY RECORDER.

3. THE EXISTING AND PROPOSED LOT LINES, EASEMENTS, ENCUMBRANCES, AND EASEMENTS (RECORDED) SHOWN ON THIS MAP ARE BASED ON THE RECORDS OF THE COUNTY RECORDER, AND THE RECORDS OF THE COUNTY RECORDER, AND THE RECORDS OF THE COUNTY RECORDER.

Handwritten: Parcel D is on subject



Property Boundary	Lot Lines (Adjusted)	Encroachments as noted	Measurements found as noted
-----	-----	-----	-----
-----	-----	-----	12
-----	-----	-----	38.25' 94'
-----	-----	-----	36.25' 76'
-----	-----	-----	42.1



VICINITY MAP
No. 5046

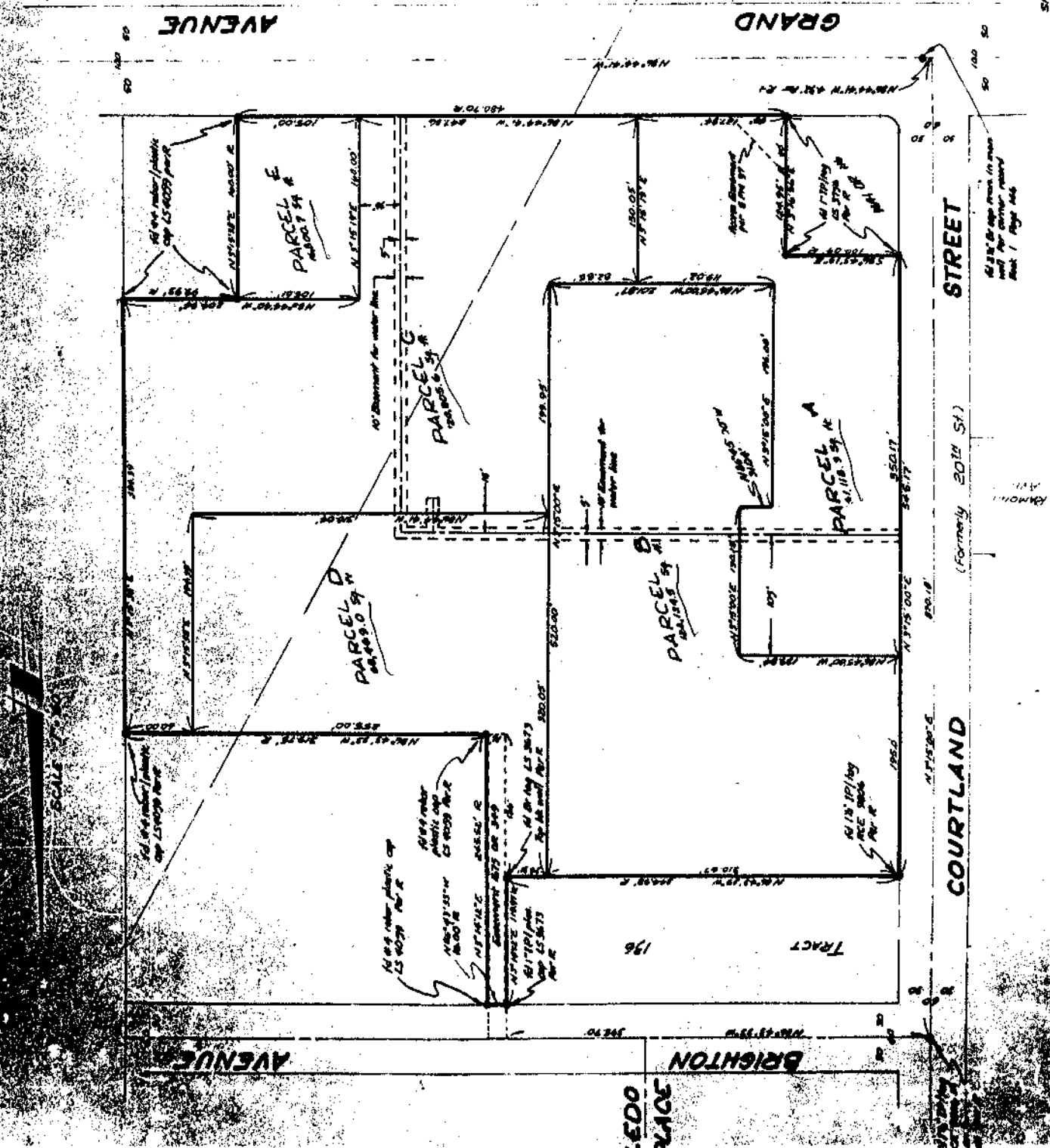
#2 (A) on prelin

LOT LINE ADJUSTMENT
NO. A.G. 80-44

OF
A PORTION OF BLOCK 95, A PORTION
OF BLOCK 96, AND A PORTION OF
RAMONA AVENUE IN THE TOWN OF
GROVER AKA A MAPS &
AND A PORTION OF THE FELDMAN
TRACT MAP 9 CHART 2
CITY OF ARROYO GRANDE
COUNTY OF SAN LUIS OBISPO
STATE OF CALIFORNIA

J. L. BOWLER, Supt. of Police

Sheet Two of Two



OWNERS' CERTIFICATE

We the undersigned hereby certify that we are the owners of or have a recordable interest in the land included within the designated border lines, and we hereby consent to the preparation and recording of this map as hereby dedicated to the public for public use and cannot designate in the map

David S. Seaton
David S. Seaton

William G. Seaton
William G. Seaton

Sharon A. Seaton
Sharon A. Seaton

NOTARIAL

Individual
State of California
County of San Luis Obispo } ss

On this 1st day of October, 1980, before me, the undersigned Notary Public, personally appeared the following persons, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

David S. Seaton
David S. Seaton

TRUSTEE

MSB Properties Inc. a California Corporation, as recorded May 15, 1978 in Book 2009, Page 924 of Official Records.

David S. Seaton
David S. Seaton

NOTARIAL

State of California
County of San Luis Obispo } ss

On this 1st day of October, 1980, before me, the undersigned Notary Public, personally appeared the following persons, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

David S. Seaton
David S. Seaton

TRUSTEE

Safeco Title Insurance Company, a California Corporation, as recorded May 15, 1978 in Book 2143, Page 255 of Official Records.

David S. Seaton
David S. Seaton

NOTARIAL

State of California
County of San Luis Obispo }

On this 1st day of October, 1980, before me, the undersigned Notary Public, personally appeared the following persons, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

David S. Seaton
David S. Seaton

PLANNING COMMISSION CERTIFICATE

I hereby certify that this map of Lot Line Adjustment No. AG 80-44 substantially conforms to the findings and recommendations of the Planning Commission of the City of Arroyo Grande, California.

Paul L. Hickey
Paul L. Hickey
Secretary, Planning Commission
City of Arroyo Grande
California

CITY COUNCIL CERTIFICATE

I do hereby certify that the City Council of the City of Arroyo Grande, California, on December 9, 1980, approved the map of Lot Line Adjustment No. AG 80-44 in accordance with the provisions of the Subdivision Map Act and the other provisions of the laws of the State of California, and the City Council has adopted the map as a public record.

Paul L. Hickey
Paul L. Hickey
City Clerk of the City of Arroyo Grande
California

SURVEYOR'S CERTIFICATE

This map was prepared by me or under my direction and is based on a survey conducted by me or under my direction and is a true and correct representation of the land as surveyed and is a true and correct representation of the land as surveyed and is a true and correct representation of the land as surveyed.

CITY ENGINEER'S CERTIFICATE

This map was prepared by me or under my direction and is a true and correct representation of the land as surveyed and is a true and correct representation of the land as surveyed and is a true and correct representation of the land as surveyed.

RECORDER'S CERTIFICATE

Filed for recording on December 1, 1980, at 1:15 PM, in Book 2009, Page 924 of Official Records.

LOT LINE ADJUSTMENT
NO. AG 80-44

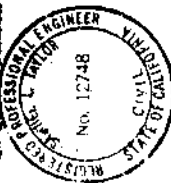
A PORTION OF BLOCK 95, A PORTION OF BLOCK 92, AND A PORTION OF HAWKINS AVENUE IN THE TOWN OF GROVER, HERRING COUNTY, ARIZONA, AND A PORTION OF LOT 18 OF THE REDEMPTION TRACT HEREBY MAPPED BY THE CITY OF ARROYO GRANDE, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

J. L. Bowser
J. L. Bowser
Surveyor

Boundary of active forest

SURVEYOR'S CERTIFICATE

This note was prepared by Mr. Walter M. Glickman and was compiled from various other documents submitted in accordance with the requirements of the Subversion Code Act of the request of Assistant Attorney General [redacted] to Attorney General [redacted] on April 11, 1951. Thereby certify that the contents of the above "Executive Memorandum and the comments" are approved, verified, and are true and correct. Said low level document have been removed from the file.



CITY ENGINEER'S CERTIFICATE

This map has been awarded the 2nd place of
1st place, 10% for conformance with the
 requirements of SECTION 1157 of the STANDARD
 MAP ACT

RECORDERS' CERTIFICATE

Filed _____
 at 2:30 PM on Book 1
 Page 11 of the Request
 A.C.F. 18748
 Fee Paid 500
 Doc. # 20730

PARCEL MAP

NO A6-72-95

OF THE DIVISION OF
INVESTIGATION

[illegible]

COUNTY OF SAN LUIS OBISPO

Scale: 1" = 60'

SECRET

10

CLARENCE TAYLOR & COMPANY

Civil Service Field

10. 11. 1991

Order to Deduct: See next paragraph
for the City of Annapolis grounds fee.
1475 04 204 4.200

20

TRACT NO 109

NEWPORT
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W. L. KOSLOV

BLK 52

PARCEL 2

PARCEL A

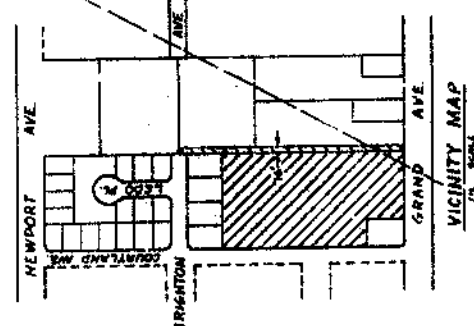
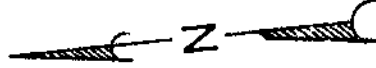
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58/15

PARCEL

GRAND—AVENUE—

NOTE: The 16 strip acquired from Mr. Bowdoin, Assessor parcel no. 77-081-7116, becomes a part of Parcel A.B on this map except for the portion delineated as Parcel C. Said Parcel C shall not be a building site and no Building Permit shall be needed thereon. The owner of said parcel shall be limited to easements for access and utility purposes. The owner of said parcel shall be deemed to be an adjacent property.

VICINITY MAP

PM4

51

LEGEND

- Boundary of entire Parcel
- Interior Lot Split Lines
- Monuments 1/2, as noted.

SURVEYOR'S CERTIFICATE

This map was prepared by me or under my direction and was compiled from recent data and based on a field survey in accordance with the requirements of the SUBDIVISION MAP ACT as amended. I hereby certify that it conforms to the approved tentative map and the conditions of approval thereof, that all provisions of applicable State law and local ordinances have been complied with.

S. L. Taylor
No. 12746



CITY ENGINEER'S CERTIFICATE

This map has been examined this 17 day of Feb. 1931, for compliance with the requirements of SECTION 11375 of the SUBDIVISION MAP ACT.

City Engineer

#3770

RECORDERS CERTIFICATE

Filed this 18 day of February 1931 at 8:30 A.M. in Book 4 of PARCELS MAPS of Page 51 at the request of J. L. Taylor
R.C.E. 12746
Per Paid \$1.00

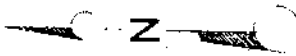


PARCEL MAP

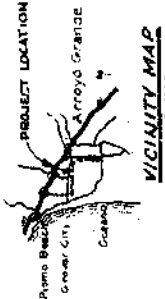
NO. AG-70-1
OF THE DIVISION OF

BLKS 52 & 53 Town Of Glamis
LOT 106 of the subdivision of parts of the Black Corralles of the State of California in the City of ARIZONA COUNTY OF SAN LUIS OBISPO
Scale 1"=50' Planning 1931
Recorded at the request of J. L. Taylor

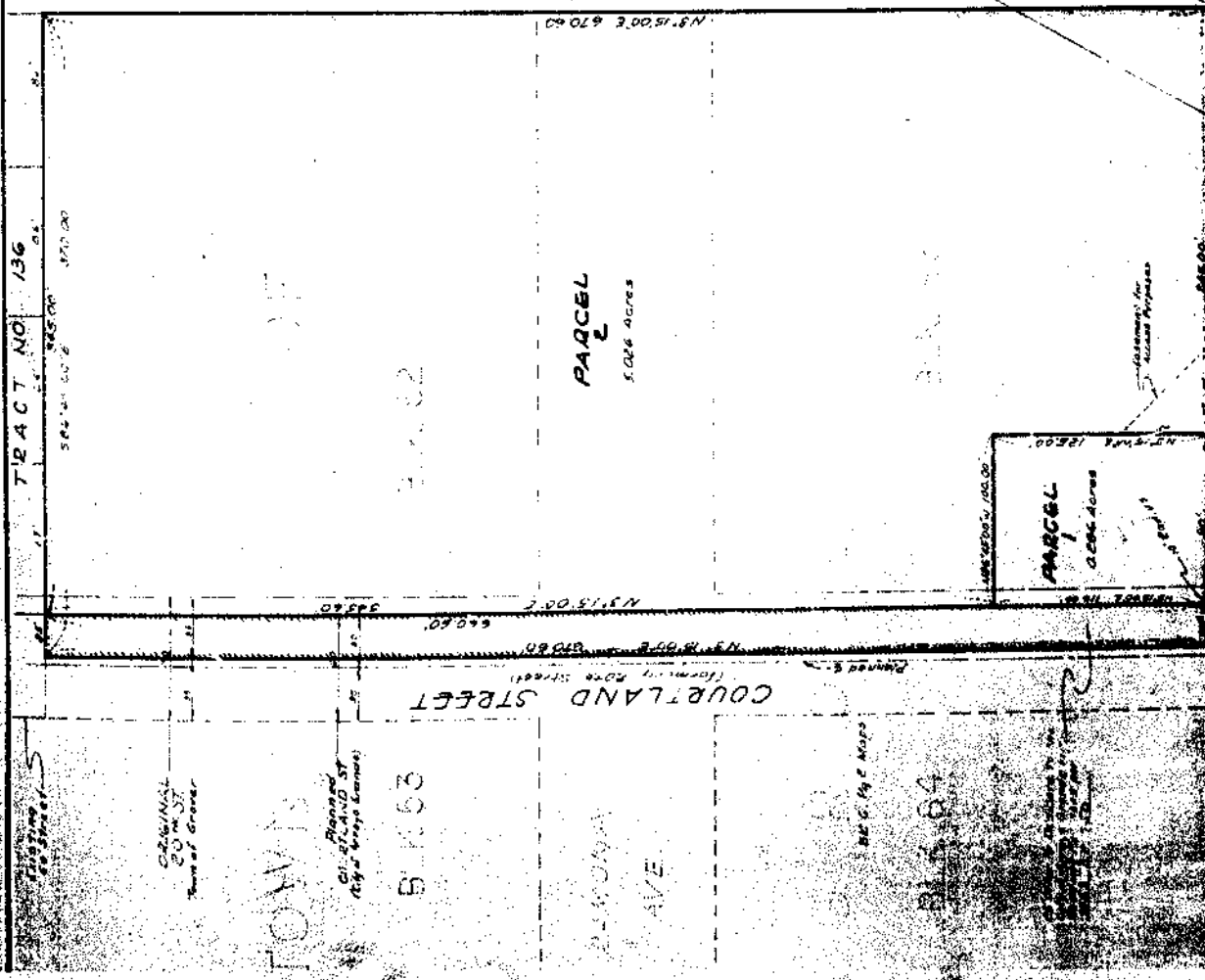
GARRETT TAYLOR & SONS
Civil Engineers
Orange County, California



#2 (1)
on the line



VICINITY MAP
Scale 1"=1 mile



LOT 106

AVE.

GRAND

RECORDING REQUESTED BY:
CHILAGO TITLE

Recording requested by and
after recorded mail to:
Robert F. Egenoff
130 East Carrillo
Santa Barbara, CA 93101

Doc No: 2001-047510

OFFICIAL RECORDS
SANTA BARBARA COUNTY, CA
JULIE L. ROOSEWALT
Recorder
Mar 21, 2001
Time: 08:00

Doc Fee: 12.00

PR - 1 12.00

TOTAL 12.00

APN: 077-341-076

AGREEMENT

Charles Logue, the owner of Parcel B of the certain real property located in San Luis Obispo County and commonly referred to as Arroyo Town and Country Square 1400 Grand Avenue, Arroyo Grande, California (hereinafter "Arroyo Town and Country Square") described in Exhibit A, attached hereto and incorporated by reference, has elected under the provisions of the Declaration of Restrictions recorded March 10, 1981 as Document 10222 in Volume 2310, pages 334-354 in the office of the Recorder for San Luis Obispo County ("CC&Rs") to undertake the obligations of Manager of the Arroyo Town and Country Square; assumed by Dennis Peterson of The Laurel Company who hereby agrees to faithfully and fully observe, perform and discharge each and every duty and obligation of the Manager as described in the CC&Rs for a period of five (5) years beginning April 28, 2001 and continuing until April 28, 2006.

DATED: February 28, 2001

DATED: February 28, 2001

CHARLES LOGUE

THE LAUREL COMPANY

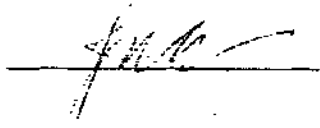

Charles Logue


By: Dennis Peterson

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Charles Logue, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

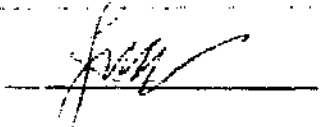
Witness my hand and official seal. (seal)



STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Dennis Peterson, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal. (seal)



Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

Exhibit "A"

END OF DOCUMENT

Doc No: 2001-017521

Ref No: 190020850

RECORDING REQUESTED BY:
CHICAGO TITLE

Recording requested by and
after recorded mail to:
Robert F. Egenolf
130 East Carrillo
Santa Barbara, CA 93101

San Luis Obispo County
Recorder
Mar 21, 2001
Time: 09:00

[3]

RE - 1 13.00

TOTAL 13.00

APN: 077-341-075

AGREEMENT

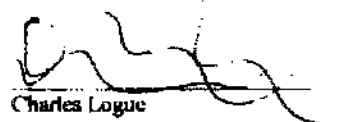
Charles Logue, the owner of Parcel B of the certain real property located in San Luis Obispo County and commonly referred to as Arroyo Town and Country Square 1400 Grand Avenue, Arroyo Grande, California (hereinafter "Arroyo Town and Country Square") described in Exhibit A, attached hereto and incorporated by reference, has elected under the provisions of the Declaration of Restrictions recorded March 10, 1981 as Document 10222 in Volume 2310, pages 334-354 in the office of the Recorder for San Luis Obispo County ("CC&Rs") to undertake the obligations of Manager of the Arroyo Town and Country Square; assumed by Dennis Peterson of The Laurel Company who hereby agrees to faithfully and fully observe, perform and discharge each and every duty and obligation of the Manager as described in the CC&Rs for a period of five (5) years beginning April 28, 2001 and continuing until April 28, 2006.

DATED: February 28, 2001

DATED: February 28, 2001

CHARLES LOGUE

THE LAUREL COMPANY

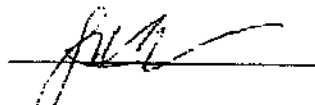

Charles Logue


By: Dennis Peterson

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Charles Logue, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

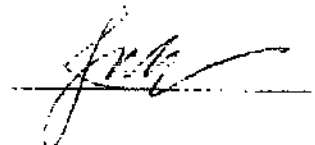
Witness my hand and official seal. (seal)



STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Dennis Peterson, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal. (seal)



Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

Exhibit "A"

END OF DOCUMENT

RECORDING REQUESTED BY:
CHARGED TITLE

DOC NO: 2001-017522

APN: 00773500

Recording requested by and
after recorded mail to:
Robert F. Egenolf
130 East Carrillo
Santa Barbara, CA 93101

Official Records
San Luis Obispo Co.
Julie L. Rodewald
Recorder
Mar 31, 2001
Time: 09:00

RE - 1 13.00
TOTAL 13.00

APN: 077-341-074

AGREEMENT

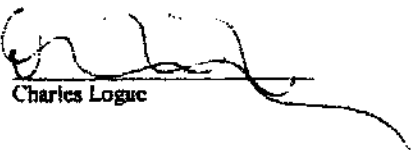
Charles Logue, the owner of Parcel B of the certain real property located in San Luis Obispo County and commonly referred to as Arroyo Town and Country Square 1400 Grand Avenue, Arroyo Grande, California (hereinafter "Arroyo Town and Country Square") described in Exhibit A, attached hereto and incorporated by reference, has elected under the provisions of the Declaration of Restrictions recorded March 10, 1981 as Document 10222 in Volume 2310, pages 334-354 in the office of the Recorder for San Luis Obispo County ("CC&Rs") to undertake the obligations of Manager of the Arroyo Town and Country Square; assumed by Dennis Peterson of The Laurel Company who hereby agrees to faithfully and fully observe, perform and discharge each and every duty and obligation of the Manager as described in the CC&Rs for a period of five (5) years beginning April 28, 2001 and continuing until April 28, 2006.

DATED: February 28, 2001

DATED: February 28, 2001

CHARLES LOGUE

THE LAUREL COMPANY


Charles Logue


By: Dennis Peterson

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Charles Logue, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

[Signature]



On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Dennis Peterson, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

[Signature]



Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

Exhibit "A"

END OF DOCUMENT

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer.

1. $\mu = 0$ and $\sigma^2 = 1$ (standard normal distribution)

178: 08:00

1671 47, 22

APN: 077-341-073

AGREEMENT

Charles Logue, the owner of Parcel B of the certain real property located in San Luis Obispo County and commonly referred to as Arroyo Town and Country Square 1400 Grand Avenue, Arroyo Grande, California (hereinafter "Arroyo Town and Country Square") described in Exhibit A, attached hereto and incorporated by reference, has elected under the provisions of the Declaration of Restrictions recorded March 10, 1981 as Document 10222 in Volume 2310, pages 334-354 in the office of the Recorder for San Luis Obispo County ("CC&Rs") to undertake the obligations of Manager of the Arroyo Town and Country Square; assumed by Dennis Peterson of The Laurel Company who hereby agrees to faithfully and fully observe, perform and discharge each and every duty and obligation of the Manager as described in the CC&Rs for a period of five (5) years beginning April 28, 2001 and continuing until April 28, 2006.

DATED: February 28, 2001

DATED: February 28, 2001

CHARLES LOGUE

THE LAUREL COMPANY

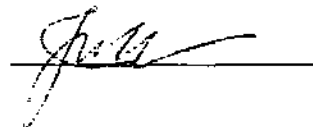
Charles Logue

By Dennis Peterson

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

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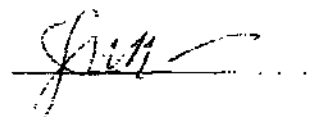
Witness my hand and official seal (seal)



STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Dennis Peterson, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal. (seal)



Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

Exhibit "A"

END OF DOCUMENT

RECORDING REQUESTED BY:
TRUSTEE

Doc No: 2001-017924

Rpt No: 00022602

Recording requested by and
after recorded mail to:
Robert F. Egenolf
130 East Carrillo
Santa Barbara, CA 93101

San Luis Obispo County
Julie L. Rodewald
Recorder
Mar 21, 2001
Time: 08:00

[3]

TOTAL 12.00

APN: 077-341-072

AGREEMENT

Charles Logue, the owner of Parcel B of the certain real property located in San Luis Obispo County and commonly referred to as Arroyo Town and Country Square 1400 Grand Avenue, Arroyo Grande, California (hereinafter "Arroyo Town and Country Square") described in Exhibit A, attached hereto and incorporated by reference, has elected under the provisions of the Declaration of Restrictions recorded March 10, 1981 as Document 10222 in Volume 2310, pages 334-354 in the office of the Recorder for San Luis Obispo County ("CC&Rs") to undertake the obligations of Manager of the Arroyo Town and Country Square; assumed by Dennis Peterson of The Laurel Company who hereby agrees to faithfully and fully observe, perform and discharge each and every duty and obligation of the Manager as described in the CC&Rs for a period of five (5) years beginning April 28, 2001 and continuing until April 28, 2006.

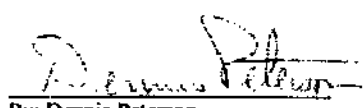
DATED: February 28, 2001

DATED: February 28, 2001

CHARLES LOGUE

THE LAUREL COMPANY


Charles Logue


By: Dennis Peterson

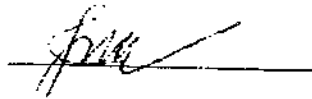
STATE OF CALIFORNIA)

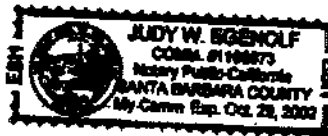
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Charles Logue, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal.

(seal)





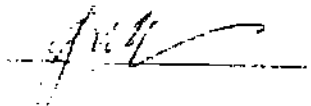
STATE OF CALIFORNIA)

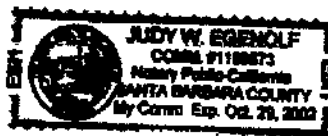
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Dennis Peterson, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal.

(seal)





Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

Exhibit "A"

END OF DOCUMENT

RECORDING REQUESTED BY
CHICAGO TITLE

Recording requested by and
after recorded mail to:
Robert F. Egenolf
130 East Carrillo
Santa Barbara, CA 93101

Doc No: 2001-017566

Official Records
San Luis Obispo Co.
Julie L. Rodewald
Recorder
Mar 21, 2001
Time: 08:10

Apn No: 00022663

RE 13.00

TOTAL 13.00

APN: 077-341-068

AGREEMENT

Charles Logue, the owner of Parcel B of the certain real property located in San Luis Obispo County and commonly referred to as Arroyo Town and Country Square 1400 Grand Avenue, Arroyo Grande, California (hereinafter "Arroyo Town and Country Square") described in Exhibit A, attached hereto and incorporated by reference, has elected under the provisions of the Declaration of Restrictions recorded March 10, 1981 as Document 10222 in Volume 2310, pages 334-354 in the office of the Recorder for San Luis Obispo County ("CC&Rs") to undertake the obligations of Manager of the Arroyo Town and Country Square; as assumed by Dennis Peterson of The Laurel Company who hereby agrees to faithfully and fully observe, perform and discharge each and every duty and obligation of the Manager as described in the CC&Rs for a period of five (5) years beginning April 28, 2001 and continuing until April 28, 2006.

DATED: February 28, 2001

DATED: February 28, 2001

CHARLES LOGUE

THE LAUREL COMPANY

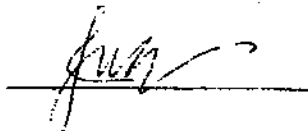

Charles Logue


By: Dennis Peterson

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Charles Logue, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

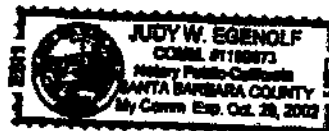
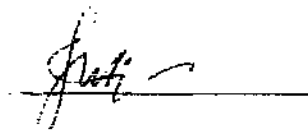
Witness my hand and official seal. (seal)



STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

On this 28th day of February 2001, before me the undersigned, a Notary Public in and for said state and county, personally appeared Dennis Peterson, 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 persons, or the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal. (seal)



Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

Exhibit "A"

END OF DOCUMENT

RECORDING REQUESTED BY
CHICAGO TITLE

Recording requested by and
after recorded mail to:
Robert F. Egnolf
130 East Carrillo
Santa Barbara, CA 93101

Doc No: 2001-017515

San Luis Obispo Co.
Julie L. Rodewald
Recorder
Mar 21, 2001
Time: 05:00

[3]

TOTAL 12.00

APN: 077-341-069

AGREEMENT

Charles Logue, the owner of Parcel B of the certain real property located in San Luis Obispo County and commonly referred to as Arroyo Town and Country Square 1400 Grand Avenue, Arroyo Grande, California (hereinafter "Arroyo Town and Country Square") described in Exhibit A, attached hereto and incorporated by reference, has elected under the provisions of the Declaration of Restrictions recorded March 10, 1981 as Document 10222 in Volume 2310, pages 334-354 in the office of the Recorder for San Luis Obispo County ("CC&Rs") to undertake the obligations of Manager of the Arroyo Town and Country Square; assumed by Dennis Peterson of The Laurel Company who hereby agrees to faithfully and fully observe, perform and discharge each and every duty and obligation of the Manager as described in the CC&Rs for a period of five (5) years beginning April 28, 2001 and continuing until April 28, 2006.

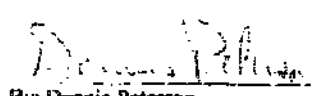
DATED: February 28, 2001

DATED: February 28, 2001

CHARLES LOGUE

THE LAUREL COMPANY


Charles Logue


By: Dennis Peterson

RECORDING REQUESTED BY:

Title Insurance and Trust Company

DOC. NO. 10222

3/10/81 9844 3

32.22 SF
32.00 SFLOFFICIAL RECORDS
SAN LUIS OBISPO CO., CAL

WHEN RECORDED MAIL TO:

MAR 10 1981

Ronald Olson
1092-D Grand Avenue
Arroyo Grande, Ca. 93420WILLIAM E. ZIMARIK
COUNTY RECORDER

TIME 8:00 AM

F132076

DECLARATION OF RESTRICTIONS
AND GRANT OF EASEMENTS

THIS DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS, is made as of the 4th day of March, 1981, by JOIE G. SCOLARI and ELDEEN W. SCOLARI, husband and wife, as community property, as to an undivided one-half (1/2) interest; WILLIAM G. GERRISH and NANCY L. GERRISH, husband and wife as community property, as to an undivided one-fourth (1/4) interest; and RONALD R. OLSON and SHARON B. OLSON, husband and wife as community property, as to an undivided one-fourth (1/4) interest, hereinafter collectively referred to as "Declarant." This instrument is, for convenience, hereinafter referred to as a "Declaration."

P R E L I M I N A R Y :

1. Declarant is the owner of certain real property situate in the City of Arroyo Grande, County of San Luis Obispo, State of California, described in Exhibit A, attached hereto and incorporated herein by reference. Said property described in Exhibit A is divided into five (5) parcels which parcels are sometimes hereinafter referred to individually as Parcel A, Parcel B, Parcel C, Parcel D and Parcel E. Said real property described in Exhibit A is hereinafter referred to as the "Shopping Center." A plot plan of the Shopping Center is attached hereto as Exhibit B and incorporated herein by reference.

2. Declarant plans to develop and plan for the development of the Shopping Center as an integrated retail sales area for the mutual benefit of all real property in the Shopping Center, and for such purposes does hereby fix and establish easements, covenants, restrictions, liens and charges (hereinafter collectively referred to as "Restrictions"), upon and subject to which all of said Shopping Center, or any part thereof shall be

improved, hold, leased, sold and/or conveyed. Such Restrictions shall run with the land and inure and pass with said property and shall apply to, bind and benefit the respective successors in interest thereof, and all and each thereof is imposed upon said property as a mutual equitable servitude in favor of said property and any portion thereof.

DEVELOPMENT

1. For the purposes of this Declaration all of the area within the Shopping Center to be used in common shall be referred to as "Common Area," and said Common Area effectively includes all areas within the Shopping Center other than "Building Areas" and the storm drain retention basin at the location shown on Exhibit B hereto; said Common Area is clearly delineated on the plot plan which is Exhibit B hereto; and said Common Area shall be developed substantially as shown on said Exhibit B. In the event the storm drain retention basin is converted to Common Area pursuant to Paragraph 5 of this Section, upon such conversion the term "Common Area," as used herein, shall be deemed to include the portion of the Shopping Center so converted.

2. (a) No building or structure of any kind shall be erected on any portion of the Shopping Center except upon those portions designated "Building Area" on Exhibit B hereto; provided that there may be constructed and maintained upon or over said Common Area a canopy or canopies projecting from such Building Area; normal foundations and doors for ingress and egress may project from such Building Area; and signs may be erected upon said canopy or canopies, so long as said signs do not obstruct the signs of any other owner, or owner's tenant of the Shopping Center. No signs other than the signs provided for hereinabove,

directional signs for guidance upon the parking and driveway area, and signs (including pylon sign towers) at the locations shown on Exhibit B hereto, shall be erected or maintained upon the Common Area or Building Area of the Shopping Center, except such as obtain the written approval of one hundred percent (100%) of the owners of the Shopping Center and the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located in Parcel C of the Shopping Center.

(b) No building or structure erected on the Shopping Center shall exceed one (1) story in height, plus mezzanine, nor shall any such building or structure exceed thirty (30) feet in height.

3. In the development and use of the Shopping Center there shall not be established or maintained any building, structure or area for the transaction of business, whether for retail sales or other purposes, for which there shall not be established and maintained a Common Area containing approximately three (3) square feet of parking, driveway and sidewalk area for each one (1) square foot of floor area of all buildings, structures or areas to be used for commercial purposes in the Shopping Center, provided that in the event the plot plan which is Exhibit B hereto provides for parking, driveway and sidewalk facilities in a ratio other than a ratio of three (3) square feet of parking, driveway and sidewalk area for each one (1) square foot occupied by buildings, then, in that event, such plot plan shall prevail notwithstanding the above provision concerning such ratio.

4. All buildings constructed in the Shopping Center shall either be equipped with such automatic sprinkler systems as meet all of the standards of the Fire Insurance Rating Authority

(or other similar organization having jurisdiction) or shall be constructed in such a manner so that the buildings in the Building Areas located on Parcels B and C of the Shopping Center may each be fire rated as a separate and distinct unit from any other building built in the Shopping Center, without deficiency charge because of the existence of adjacent or exposing structures.

5. As part of the development of the Shopping Center, the City of Arroyo Grande (the "City") has required that a storm drain retention basin (the "Basin") be constructed and maintained in the Shopping Center at the location shown on Exhibit B hereto. In the event, at any time during the term of this Declaration, the City no longer requires the Basin to be maintained, the "Manager" (as hereinafter defined) shall convert or cause the conversion of said Basin to Common Area. As part of said conversion, the Basin shall be filled to the same level, grade and degree of compaction as the surrounding surfaces, and shall be covered with the same type of surfacing material originally installed in the balance of the Common Area. The portion of the Common Area thereby added to the Shopping Center shall be used for the parking of automobiles and shall be striped in a configuration consistent with the parking areas adjacent thereto. The work required to convert the Basin to Common Area, as hereinabove described, is hereinafter referred to as the "Conversion Work." Upon completion of the Conversion Work the Manager shall send to each and every other owner of any portion of the Shopping Center copies of bills reflecting the total costs and expenses of such work and evidence of the payment thereof by the Manager. Within thirty (30) days after receipt of such bills and

such evidence of payment, each and every other owner shall pay to the Manager the percentages of the total costs and expenses of the Conversion Work that are set forth in Paragraph 4 of the Section hereof entitled "OPERATION AND MAINTENANCE OF COMMON AREA." If at the time the "Conversion Work" is required by this provision, no person is obligated to maintain the Common Area (i.e., there is no "Manager"), the owner of Parcel A shall perform the obligations imposed on the Manager by this Paragraph 5.

SHOPPING CENTER EASEMENTS

1. Declarant does hereby establish in favor of and grant to the owners and occupants of the Shopping Center, their customers and invitees, nonexclusive easements for the ingress and egress and for the passage and parking of motor vehicles into, out of, on, over and across all parking areas, driveways and service areas from time to time established within the Shopping Center as provided in Exhibit B so that the Shopping Center may be used as an integrated area by the owners and occupants thereof and their customers and invitees.

2. Declarant does hereby establish in favor of and grant to the owners and occupants of the Shopping Center, their customers and invitees, nonexclusive easements for the ingress and egress and passage of pedestrians into, out of, on, over and across the Common Area from time to time established within the Shopping Center as provided in Exhibit B so that the Shopping Center may be used as an integrated area by the owners and occupants thereof and their customers and invitees.

3. Declarant does hereby establish in favor of and grant to the owners of any portion of the Shopping Center non-exclusive easements under, through and across the Common Area of the Shopping Center for water drainage systems or structures,

water mains, sewers, water sprinkler system lines, telephones or electrical conduits or systems, gas mains and other public utilities and service easements. All such systems, structures, mains, sewers, conduits, lines and other public utilities instrumentalities shall be installed and maintained below the ground level or surface of such easements, except where the instrumentality of the particular utility involved is not amenable to being placed underground (such as, but not limited to, transformers and risers).

4. Should any building constructed within the Shopping Center inadvertently encroach on any Parcel adjacent to said building, which encroachment does not exceed two (2) feet, the owner of the adjacent parcel shall be deemed to have granted a perpetual easement for such encroachment to the owner of the encroaching building.

OPERATION AND MAINTENANCE
OF COMMON AREA

1. Areas to be used for motor vehicle parking purposes by employees of occupants of the Shopping Center may be designated within the Shopping Center from time to time by one hundred percent (100%) of the owners of the Shopping Center and the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center; provided, however, that in no event shall the areas so designated include that portion of the Common Area shown as cross-hatched on Exhibit B hereto. No owner employee of any owner, lessee or other occupant of any part of the Shopping Center shall use any portion of the Common Area located on the Shopping Center for motor vehicle parking purposes except such area or areas as may be designated in writing for such purposes as provided for herein.

2. All owners of any portion of the Shopping Center

shall pay prior to delinquency all taxes and assessments on the Common Area and Building Area owned by them. If any such owner shall fail to pay said taxes and assessments when due, any other owner, may pay said taxes and assessments and the curing owner or tenant may then bill the defaulting owner for the expense incurred. If the defaulting owner shall not pay said bill within fifteen (15) days, the curing owner or tenant shall have a lien on the property of the defaulting owner for the amount of said bill, which amount shall bear interest at the rate of ten percent (10%) per annum until paid.

3. The owner of Parcel D its successors, transferees and assigns (hereinafter referred to as the "Manager") shall operate and maintain, or cause to be operated and maintained, the "Basin" as herein defined, and the Common Area located within the Shopping Center and shall keep the same, or cause the same to be kept, in good condition and repair. As part of said operation, the Manager shall cause the Common Area to be adequately lighted and shall maintain the surface areas thereof in a level and smooth condition, evenly covered with the type of surfacing material originally installed thereon, or shall cause the same thus to be maintained. The Manager shall obtain and maintain general public liability insurance insuring the Manager and all persons who now or hereafter own or hold portions of the Shopping Center or any leasehold estate or other interest therein as their respective interests may appear, provided that the Manager is notified in writing of such interest, against claims for personal injury, death or property damage occurring in, upon, or about the Basin and the Common Area located on the Shopping Center. Such insurance shall be written with an insurer licensed to do business in the State of California. The limits of liability of all such insurance shall be at least \$300,000 for injury to or death of any one person, \$500,000 for injury to or death of more than one person in

one occurrence, and \$100,000 with respect to damage to property. The Manager shall cause to be issued certificates of insurance to each of the other fee owners of the Shopping Center, and to the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center, which certificates shall provide that such insurance shall not be cancelled or amended without ten (10) days prior written notice to each of such parties.

4. The Manager shall expend only the monies reasonably necessary for such operation and maintenance in order to keep the Basin and Common Area in good repair and clean condition and to operate the same on a nonprofit basis to the end that the expense in connection therewith shall be kept to a minimum. The Manager shall, from time to time, but not more often than monthly send to each and every owner of any portion of the Common Area a written statement of the total cost and expenses of operation and maintenance of the Basin and Common Area for the period of the preceding month or longer period. The Manager may include in such statement the amount of the public liability insurance premium respecting the Basin and Common Area of the Shopping Center prior to the Manager's payment thereof, provided that the amount of such premium shall not be included in any such statement sent more than sixty (60) days prior to the premium due date. The Manager may also include in such statement a management fee not to exceed ten percent (10%) of the costs and expenses of the operation and maintenance of the Basin and Common Area; provided that in the calculation of said management fee, there shall not be included in such costs and expenses, personal property taxes, real property taxes and assessments, insurance premiums, depreciation, capital expenditures which exceed Two Thousand Dollars (\$2,000.00) in the

aggregate in any one year, or any management fee or other fee paid by the Manager to a third party to perform all or a portion of the Manager's obligations hereunder in connection with said Basins and Common Area. Within thirty (30) days after receipt of such statement, each and every such owner shall pay to the Manager the fractions of the total amount of said costs and expenses hereinafter described. Each owner, or its authorized representative, shall have the right to examine the records of expenses in connection therewith at reasonable business hours and without unreasonable frequency.

The percentage shares of such costs and expense are as follows:

Parcel A	15.70%
Parcel B	31.37%
Parcel C	31.03%
Parcel D	17.59%
Parcel E	4.31%
TOTAL	100.00%

If all or any portion of such fractions of said total is not so paid, the same shall be deemed delinquent, and the amount thereof shall bear interest thereafter at the rate of ten percent (10%) per annum until paid, and the Manager shall have a lien on the property of the defaulting owner for said unpaid amount and interest.

If the Manager shall fail to so maintain the Common Area or to provide such insurance, then any other owner, or the tenant of the Building Area located on Parcel B of the Shopping Center and/or the tenant of the Building Area located on Parcel C of the Shopping Center, may do so, and the curing owner or tenant may then bill the Manager for the expense incurred. If the Manager shall not pay said bill within fifteen (15) days, the curing owner or tenant(s) shall have a lien on the property of the Manager for

the amount of said bill, which amount shall bear interest at the rate of ten percent (10%) per annum until paid.

5. Should the owner and/or tenant of either or both of Parcel B and/or C, desire to assume the duties, obligations, rights and remedies of the Manager pursuant to the preceding provisions of this provision concerning maintenance, said owner(s) and/or tenant(s) shall have the right to do so by serving a formal written sixty (60) day notice to that effect on the Manager, the owners of all of the parcels other than the Manager, and the tenants of both Parcels B and C of the Shopping Center. The notice provided for above shall be accompanied by the written undertaking of the Manager's successor or successors, duly executed and acknowledged by such successor, or successors, that it or they, shall faithfully and fully observe, perform and discharge each and every duty and obligation of Manager hereunder in the place and stead of the Manager for a specified period (which period shall in no event be for less than three (3) years, and which shall be described by calendar dates) and said successor, or successors, may utilize a nominee to perform such duties and obligations without relieving it, or them, however, of any of such duties and obligations. The party or parties taking over the duties of the Manager shall promptly cause an executed and acknowledged counterpart of such written undertaking to be duly recorded in the Office of the County Recorder of San Luis Obispo County. The Manager hereby grants to said successor, or successors, during said period, all rights that the Manager shall possess hereunder including, but without limiting the foregoing, the right, in the place and stead of the Manager to issue the statements above contemplated, to collect, hold, receive, and disburse receipts on account thereof, and to

have the full benefit of any liens above contemplated which may arise by reason of any nonpayment on account thereof.

6. During any period of time when no person is obligated to maintain the Common Area located within the Shopping Center, the owner of each Parcel shall have the obligation to maintain its own Parcel.

RESTRICTIONS ON USE

1. (a) No portion of the Shopping Center other than the building on Parcel B of the Shopping Center shall be occupied or used, directly or indirectly, for the purposes of a general food market or a grocery store, meat market, fish market, fruit store, vegetable store, delicatessen, or any combination thereof; provided that the foregoing shall not prohibit the operation of one (1) delicatessen in the Shopping Center offering food items (which, for purposes hereof, shall not include raw fresh fish, meat or poultry), prepared and/or packaged on the premises for on- or off-premises consumption and containing not more than two thousand (2,000) square feet of storage and selling space and not more than fifty (50) lineal feet of individual shelf space allocated to items sold in a general market or grocery store; and provided further that the foregoing shall not prohibit the operation in the building on Parcel C of the Shopping Center of a typical Pay Less Super Drug Store operation similar to the type of operation conducted in California by Pay Northwest, Inc. a Maryland corporation, in other so long as no fresh or frozen meat, fresh or frozen vegetables, or fresh or frozen fruits are sold in violation of this paragraph, "items sold in a general market or grocery store" shall not include liquor, beer, wine or alcoholic beverages.

(b) The foregoing restriction shall continue only so long as the Building Area on Parcel B of the Shopping Center or some part thereof shall continue to be used for a general food market or grocery store and for a period of two (2) years thereafter.

(c) The failure to use the Building Area on Parcel B of the Shopping Center, or some part thereof, for a general food market or grocery store, which results from strikes, lock-outs, riot, insurrection, act of God or governmental regulations or orders or which occurs during any period in which a building or buildings are being built, rebuilt, repaired or remodeled upon said Building Area, or some part thereof, shall not cause the foregoing restriction to terminate; provided that if such building, rebuilding, repair, or remodeling shall result in the failure to use said Building Area, or some part thereof, for a general food market or grocery store for a period in excess of two (2) years, the foregoing restriction shall terminate at the end of such two (2) year period. Any such two (2) year period shall be extended by the period of any and each occurrence of any strikes, labor difficulties, governmental restrictions upon building activity, or delays caused by or resulting from fire, casualty, war or acts of God.

2. (a) No portion of the Shopping Center other than the building on Parcel C of the Shopping Center shall be occupied or used, directly or indirectly, for the purpose of the sale of items the sale of which requires the presence of a licensed pharmacist.

(b) The foregoing restriction shall continue only so long as the Building Area on Parcel C of the Shopping Center,

or some part thereof, shall continue to be used for the sale of items the sale of which requires the presence of a licensed pharmacist and for a period of two (2) years thereafter.

(c) The failure to use the Building Area on Parcel C of the Shopping Center, or some part thereof, for the sale of items the sale of which requires the presence of a licensed pharmacist which results from strikes, lockouts, riot, insurrection, act of God or governmental regulations or orders or which occurs during any period in which a building or buildings are being built, rebuilt, repaired or remodeled upon said Building Area, or some part thereof, shall not cause the foregoing restriction to terminate; provided that if such building, rebuilding, repair or remodeling shall result in the failure to use said Building Area, or some part thereof, for the sale of items the sale of which requires the presence of a licensed pharmacist for a period in excess of two (2) years, the foregoing restriction shall terminate at the end of such two (2) year period. Any such two (2) year period shall be extended by the period of any and each occurrence of any strikes, labor difficulties, governmental restrictions upon building activity, or delays caused by or resulting from fire, casualty, war, or acts of God.

3. No portion of the Shopping Center shall be occupied or used, directly or indirectly, for the sale or offering for sale of alcoholic beverages for on-sale or off-sale consumption, provided, however, that this restriction shall not prohibit the operation of an alcoholic beverage department for off-sale consumption only as a part of the operations conducted in the Building Areas located on Parcel B and/or Parcel C of the Shopping Center; and provided further that this restriction shall not

prohibit the operation of one (1) restaurant containing not more than four thousand (4,000) square feet of floor area and offering alcoholic beverages for on-premise consumption only, provided that no portion of the restaurant premises is located within one hundred (100) feet of any portion of the Building Area on Parcel B of the Shopping Center.

4. No portion of the Shopping Center shall be occupied or used, directly or indirectly, for the purposes of an office building, entertainment or recreational facility or a training or educational facility; provided, however, that this restriction shall not prohibit the operation of one (1) real estate office and/or one (1) insurance office, each occupying not more than twenty (20) lineal front feet of Building Area; the operation of a post office so long as no postal delivery trucks are parked in any portion of the Common Area overnight; nor shall it prohibit the operation of a savings and loan association in the Building Area on Parcel E of the Shopping Center. As used herein, "entertainment or recreational facility" includes, but is not limited to, a bowling alley, skating rink, theater, billiard room, game parlor, health spa or studio, massage parlor, bar or tavern, or gymnasium or other place of public amusement; and "training or educational facility" includes, but is not limited to, a beauty school, barber college, reading room, place of instruction, or any other operation catering primarily to students or trainees rather than to customers, it being the intent of this provision that the parking and other common facilities should not be burdened by either large scale or protracted use by customers of occupants of the Shopping Center.

GENERAL PROVISIONS

1. COVENANTS RUN WITH THE LAND. Each easement, restriction and covenant contained herein shall be appurtenant to

-14-



3/4/81

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and for the benefit of all portions of the Shopping Center and shall be a burden thereon for the benefit of all portions of the Shopping Center, and shall run with the land.

This Declaration and the restrictions, easements, covenants, benefits and obligations created hereby shall inure to the benefit of and be binding upon Declarant and Declarant's heirs, personal representatives, successors, transferees and assigns; provided, however, that if any owner sells any portion or all of its interest in the Shopping Center and obtains from the purchaser thereof an agreement by which the purchaser assumes and agrees to be bound by the covenants and agreements herein contained, the vendor shall thereupon be released and discharged from any and all further obligations under this Declaration as such owner in connection with the property sold by it.

2. DURATION. Except as otherwise provided herein, each easement shall be in perpetuity and each other covenant, setback line, restriction and undertaking of this document shall be for the term of sixty-five (65) years from the date hereof.

3. INJUNCTIVE RELIEF. In the event of any violation or threatened violation by any owner, lessee, or occupant of any portion of the Shopping Center of any of the terms, covenants, restrictions and conditions contained herein, in addition to the other remedies herein provided, any or all of the owners and tenants of the property included within the Shopping Center shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction.

4. MODIFICATION PROVISION. This Declaration may not be modified in any respect whatsoever, or rescinded, in whole or in part, except with the consent of one hundred percent (100%) of the owners of the Shopping Center, plus the tenant of the Build-

ing Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center at the time of such modification or rescission, and then only by a written instrument duly executed and acknowledged by the requisite owners and tenants, duly recorded in the Office of the Recorder of San Luis Obispo County.

5. NOT A PUBLIC DEDICATION. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Shopping Center to the general public or for the general public or for any public purposes whatsoever, it being the intention of Declarant that this Declaration shall be strictly limited to and for the purposes herein expressed.

6. BREACH SHALL NOT PERMIT TERMINATION. No breach of this Declaration shall entitle any owner to cancel, rescind or otherwise terminate this Declaration, but such limitation shall not affect in any manner any other rights or remedies which such owner, or any tenant, may have hereunder by reason of any breach of this Declaration. Any breach of any of said covenants or restrictions, however, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value, but such covenants or restrictions shall be binding upon and effective against such owner of any of said property or any portion thereof whose title thereto is acquired by foreclosure, trustee sale or otherwise.

7. SEVERABILITY. If any clause, sentence or other portion of this Declaration shall become illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remaining portions thereof shall remain in full force and effect.

8. SUBSEQUENT CONVEYANCES. All conveyances of all or

any portion of the Shopping Center subsequent to the date hereof shall recite that they are subject and subordinate to the terms and provisions hereof.

9. ENFORCEMENT OF LIEN. The liens provided for in "Operation and Maintenance of Common Area" hereinabove may be filed for record by the party entitled thereto as a claim of lien against the defaulting owner in the Office of the County Recorder of San Luis Obispo County, signed and verified, which shall contain at least:

- (a) A statement of the unpaid amount of costs and expenses;
 - (b) A description sufficient for identification of that portion of the property of the defaulting owner which is the subject of the lien; and
 - (c) The name of the owner or reputed owner of the property which is the subject of the alleged lien.
- Such lien, when so established against the real property described in said lien, shall be prior and superior to any right, title, interest, lien or claim which may be or has been acquired or attached to such real property after the time of filing of such lien. Such lien shall be for the use and benefit of the person filing same, and may be enforced and foreclosed in a suit or action brought in any court of competent jurisdiction.

10. OWNERSHIP OF SHOPPING CENTER. The ownership of the entire Shopping Center by the same party shall not effect the termination of this Declaration.


IN WITNESS WHEREOF, Declarant has duly executed this Declaration as of the day and year first hereinabove set forth.


JOIE G. SCOLARI


ELDEEN W. SCOLARI


WILLIAM G. GERRISH

"Declarant"


NANCY L. GERRISH


RONALD R. OLSON


SHARON B. OLSON

"Declarant"

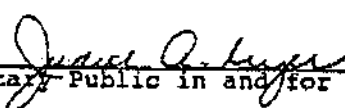
(To be Notarially Acknowledged)

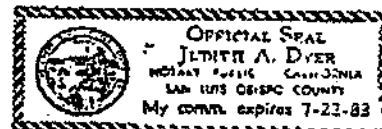
STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.

On February 26, 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOIE G. SCOLARI, ELOEEN W. SCOLARI, RONALD R. OLSON, SHARON B. OLSON, WILLIAM G. GERRISH and NANCY L. GERRISH, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Judith A. Dyer


Notary Public in and for said State



(SEAL)

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Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44
in the City of Arroyo Grande, County of San Luis Obispo, State
of California, as shown and designated on the Map recorded on
December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office
of the County Recorder of said County.

EXHIBIT A



CONSENT AND SUBORDINATION

FIDELITY SAVINGS AND LOAN ASSOCIATION, a California
Corporation, tenant of a portion of that certain real property
 described in Exhibit A to the Declaration of Restrictions and
 Grant of Easements to which this Consent and Subordination is at-
 tached (the "Declaration"), pursuant to that certain unrecorded
 ground lease dated JANUARY 30, 1981 (the "Lease"),
 hereby consents to all of the terms and provisions of the Declara-
 tion and agrees that its interest in the real property described
 in Exhibit A to the Declaration, pursuant to the Lease or other-
 wise, is and henceforth shall be subject and subordinate to all
 of the terms and provisions of the Declaration.

Dated: March 5, 1981.

FIDELITY SAVINGS AND LOAN ASSOCIATION,
 a CALIFORNIA CORPORATION

By William Rockloff

VICE PRESIDENT

(To Be Notarially Acknowledged)

(Corporation)

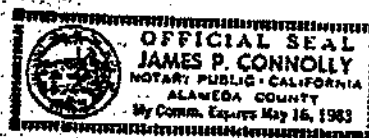
STATE OF CALIFORNIA
 COUNTY OF Alameda

On March 5, 1981 before me, the undersigned, a Notary Public in and for said
 State, personally appeared William Rockloff
 known to me to be the Vice President, and
 known to me to be Secretary of the corporation that executed the within instrument.
 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 James P. Connolly

Name (Typed or Printed)



(This area for official Notarial seal)

2/9/81

END OF DOCUMENT

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ALP
Recording Requested By
When Recorded Mail To:

P. Terence Schubert, Esq.
A Professional Law Corporation
1254 Marsh Street
San Luis Obispo, California 93401

Space Above This Line For Recorder's Use

MODIFICATION OF DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS

This Modification to that Declaration of Restrictions and Grant of Easements (the "Declaration of Restrictions") dated March 4, 1981 and recorded in the Official Records of the County of San Luis Obispo, State of California on March 10, 1981, as Document No. 182322, is made as of the _____ day of March, 2007, by and between the Board of the State Teachers Retirement System of Ohio; the Ronald R. Olson and Sharon B. Olson Living Trust dated July 31, 1986; Arroyo Town & Country Square, LLC; and the Scharin Family Trust; hereinafter collectively referred to as "the Owners." This instrument is, for convenience, hereinafter referred to as the "Modification."

RECITALS

A. The Owners own certain real property ("the Subject Property" or "the Shopping Center") located in the City of Arroyo Grande, County of San Luis Obispo, State of California, described in Exhibit "A", attached hereto and incorporated herein by reference. There are no other owners of the Subject Property.

B. Under the terms of the Declaration of Restrictions, the Shopping Center was divided into five parcels, which Parcels were individually referred to as Parcel A, Parcel B, Parcel C, Parcel D, and Parcel E. A Lot Line Adjustment has been completed, and among other things, the configuration of the Shopping Center Parcels has changed. At the present time there are five parcels at the Shopping Center, which Parcels are individually referred to as Parcel 1, Parcel 2, Parcel 3, Parcel B, and Parcel E. A Plot Plan of the current configuration of the Shopping Center is attached hereto, marked as Exhibit "B" and incorporated herein by reference.

C. Through entering into this Modification, the terms of the Declaration of Restrictions will be modified to reflect the existing configuration of the Shopping Center and to effectuate other changes, as described in this document.

D. Under the terms of the Declaration of Restrictions, in order to modify that Declaration, all of the Owners must agree, and the tenants of the buildings located on Parcel B and Parcel C must consent to this Modification. Nova Scotia Financial Group, Inc., the tenant of

the building located on Parcel B, and the Dollar Tree Stores, Inc., the tenant of Parcel C, agree to this Modification, as indicated by affixing their signatures below.

MODIFICATION

1. All references to "Parcel A" in the Declaration of Restrictions shall be changed to "Parcel 1."

2. All references to "Parcel C" in the Declaration of Restrictions shall be changed to "Parcel 2."

3. All references to "Parcel D" in the Declaration of Restrictions shall be changed to "Parcel 3."

4. Paragraph 5 of that Section of the Declaration of Restrictions entitled "Development," is deleted in its entirety.

5. That portion of Paragraph 4 of that Section of the Declaration of Restrictions entitled "Operations and Maintenance of Common Area," which reads as follows:

"The percentage shares of such costs and expenses are as follows:

Parcel A	15.70%
Parcel B	31.37%
Parcel C	31.03%
Parcel D	17.59%
Parcel E	4.31%
TOTAL	100.00%

shall be deleted, and the following language shall be inserted in its place:

"The percentage shares of such costs and expenses are as follows:

Parcel 1	31.19%
Parcel 2	28.14%
Parcel 3	7.24%
Parcel B	29.39%
Parcel E	<u>4.04%</u>
TOTAL	100.00%

6. That portion of Paragraph 3 of that Section of the Declaration of Restrictions entitled "Restrictions on Use" which reads as follows:

"and provided further that this restriction shall not prohibit the operation of one (1) restaurant containing not more than four thousand (4,000) square feet of floor

area and offering alcoholic beverages for on-premises consumption only”

shall be deleted, and the following language shall be inserted in its place:

“and provided further that this restriction shall not prohibit the operation of one (1) restaurant containing not more than six thousand nine hundred (6,900) square feet of floor area and offering alcoholic beverages for on-premises consumption only”

7. All references to Exhibit “A” in the Declaration of Restrictions shall hereafter refer to Exhibit “A” attached to this Modification.

8. All references to Exhibit “B” in the Declaration of Restrictions shall hereafter refer to Exhibit “B” attached to this Modification.

9. In all other respects, the remaining terms and conditions of the Declaration of Restrictions shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Modification as of the day and year first above written.

The Scharin Family Trust

By: _____
Johan Scharin, Trustee

The Board of the State Teachers Retirement System of Ohio

By: OTR
An Ohio General Partnership acting as the duly authorized nominee
of the Board of the State Teachers Retirement System of Ohio

By: _____
Matthew Vulcanich


Title: _____

The Ronald R. Olson and Sharon B. Olson Living Trust dated July 31, 1986

By: _____
Ronald R. Olson, Trustee

By: _____
Sharon B. Olson, Trustee

Arroyo Town & Country Square, LLC
A Delaware Limited Liability Company

By: _____


Name: Gary Grossman

Title: Managing Member

CONSENT TO MODIFICATION

Nova Scotia Financial Group, Inc., as the tenant of the building located on Parcel B of the Subject Property, and Dollar Tree Stores, Inc., as the tenant of Parcel 2 (referred to in the Declaration of Restrictions as Parcel C), hereby consent to all of the terms and conditions of the Modification to Declaration of Restrictions and Grant of Easements.

Nova Scotia Financial Group, Inc.
A Nevada Corporation

By: _____
John M. Spencer

Title: _____

Dollar Tree Stores, Inc.
A Virginia Corporation

By: _____
John L. Cody

Title: _____

DESCRIPTION OF THE SUBJECT PROPERTY

Parcels B and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof.

EXHIBIT A
Legal Description
Parcel 1

Being a portion of Parcels A and D of Parcel Map AG 82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 32, page 21 of Parcel Maps, along with a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps, both filed in the office of the County Recorder of said County being more particularly described as follows:

Beginning at the northwesterly most corner of said Parcel A; thence along the boundary of said Parcel A the following ten (10) courses and distances:

1. South 86°45'00" East, 82.69 feet;
2. North 3°15'00" East, 8.15 feet;
3. South 86°45'00" East, 22.30 feet;
4. South 3°15'00" West, 8.15 feet;
5. South 86°45'00" East, 33.81 feet;
6. South 3°15'00" West, 135.79 feet;
7. North 86°45'00" West, 34.43 feet;
8. South 3°15'00" West, 195.00 feet;
9. South 86°45'00" East, 206.30 feet; and
10. North 3°15'00" East, 235.95 feet to a point on the southerly boundary of said Parcel D; thence along the boundary of said Parcel D the following eleven (11) courses and distances:
 11. North 86°45'00" West, 1.08 feet;
 12. North 3°15'00" East, 142.03 feet;
 13. South 86°45'00" East, 2.16 feet;
 14. North 3°15'00" East, 141.98 feet;
 15. South 86°42'14" East, 33.28 feet;

EXHIBIT A

16. North 3°12'41" East, 120.05 feet;
17. South 86°43'33" East, 16.00 feet;
18. South 3°15'06" West, 245.73 feet;
19. South 86°45'29" East, 319.78 feet;
20. South 3°15'38" West, 158.36 feet and
21. North 86°44'41" West, 300.04; thence along a line parallel with and 10.00 feet easterly and southerly of said boundary of Parcel CC the following two (2) courses and distances:
22. South 3°15'00" West, 245.95 feet and
23. North 86°45'00" West, 92.84 feet to a point on the easterly boundary of said Parcel A; thence leaving said parallel line
24. South 3°14'23" West, along the boundary of said Parcel A, a distance of 47.48 feet; thence
25. North 86°45'00" West, along a line 96.20 feet northerly of and parallel with the southerly line of said Parcel A, a distance of 127.78 feet, more or less, to a point on the easterly boundary of said Parcel A; thence along said easterly boundary of Parcel A the following three (3) courses and distances:
26. North 3°14'28" East, 32.41 feet;
27. North 86°43'19" West, 100.04 feet and
28. North 3°15'00" East, 355.81 feet to the **point of beginning**.

Contains 2.52 acres, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof

EXHIBIT A

EXHIBIT A
Legal Description
Parcel 2

Being a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps in the office of the County Recorder of said County being more particularly described as follows:

Beginning at the northeasterly most corner of said Parcel CC; thence along the boundary of said Parcel CC the following three (3) courses and distances:

1. North $86^{\circ}45'00''$ West, 60.00 feet;
2. South $3^{\circ}15'38''$ West, 158.36 feet and
3. North $86^{\circ}44'41''$ West, 300.04 feet; thence leaving said boundary of Parcel CC and along a line parallel with and 10.00 feet easterly and southerly of said boundary of Parcel CC the following two (2) courses and distances:
 4. South $3^{\circ}15'00''$ West, 245.95 feet and
 5. North $86^{\circ}45'00''$ West, 92.84 feet; thence leaving said parallel line
 6. South $3^{\circ}14'23''$ West, 47.48 feet; thence
 7. South $86^{\circ}45'00''$ East, 196.33 feet; thence
 8. South $3^{\circ}17'52''$ West, 92.60 feet, more or less, to a point on the south line of said Parcel CC; thence along said south line of Parcel CC
 9. South $86^{\circ}45'00''$ East, 51.60 feet to the southeasterly corner of said Parcel CC; thence along the boundary of said Parcel CC the following three (3) courses and distances:
 10. North $3^{\circ}15'38''$ East, 160.00 feet;
 11. South $86^{\circ}44'40''$ East, 204.94 feet and
 12. North $3^{\circ}15'49''$ East, 384.39 feet to the point of beginning.

Contains 2.54 acres, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof

EXHIBIT A
Legal Description
Parcel 3

Being a portion of Parcel A of Parcel Map AG 82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 32, page 21 of Parcel Maps, along with a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps, both filed in the office of the County Recorder of said County being more particularly described as follows:

Beginning at the southwesterly most corner of said Parcel A; thence

1. North 3°14'28" East, along the easterly boundary of said Parcel A, a distance of 92.60 feet; thence leaving aid boundary of Parcel A
2. South 86°45'00" East, along a line parallel with and 92.60 feet northerly of the south line of said Parcels A and CC, a distance of 324.11 feet; thence
3. South 3°17'52" West. 92.60 feet to a point on the south line of said Parcel CC; thence
4. North 86°45'00" West, along the south line of said Parcels CC and A, a distance of 324.02 feet to the **point of beginning**.

Contains 30,009 square feet, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof

Recording Requested By
Fidelity National Title

JULIE RODEWALD
San Luis Obispo County – Clerk/Recorder
Recorded at the request of
Fidelity Title Company

LO
5/08/2007
8:00 AM

~~Recording Requested By~~
When Recorded Mail To:

P. Terence Schubert, Esq.
A Professional Law Corporation
1254 Marsh Street
San Luis Obispo, California 93401

DOC#: 2007031300



Titles: 2 Pages: 27

Fees	92.00
Taxes	0.00
Others	0.00
PAID	\$92.00

RECEIVED BY

MAY 31 2007

Space Above This Line For Recorder's Use

0166/0097

ACCOUNTING DEPT.

MODIFICATION OF DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS

This Modification to that Declaration of Restrictions and Grant of Easements (the "Declaration of Restrictions") dated March 4, 1981 and recorded in the Official Records of the County of San Luis Obispo, State of California on March 10, 1981, as Document No. 1981010222, is made as of the 8th day of March, 2007, by and between OTR, an Ohio general partnership ("OTR"); the Joseph Gordon Scolari and Eldeen W. Scolari 1979 Revocable Trust ("Scolari"); the William G. Gerrish and Nancy L. Gerrish Family Trust dated February 29, 1996 ("Gerrish"); the Ronald R. Olson and Sharon B. Olson Living Trust dated July 31, 1986 ("Olson"); Arroyo Town & Country Square, LLC ("Arroyo"); and the Scharin Family Trust dated February 18, 2003 ("Scharin"); hereinafter collectively referred to as "the Owners." This instrument is, for convenience, hereinafter referred to as the "Modification."

RECITALS

A. The Owners own certain real property ("the Subject Property" or "the Shopping Center") located in the City of Arroyo Grande, County of San Luis Obispo, State of California, described in Exhibit "A", attached hereto and incorporated herein by reference. Under the terms of the Declaration of Restrictions, the Shopping Center was divided into five parcels, which parcels were individually referred to as Parcel A, Parcel B, Parcel C, Parcel D, and Parcel E. Arroyo is the owner of Parcels A and D. OTR is the owner of Parcel B. Scharin is the owner of Parcel C. Scolari, Gerrish and Olson are the owners of Parcel E. There are no other owners of the Subject Property.

B. Pursuant to Paragraph 5 of the Declaration of Restrictions, if the City no longer requires the Basin to be maintained, the Basin may be filled in and added to Common Area. Instead of the Basin becoming a part of the Common Area, the Owners are desirous of filling in the Basin, reconfiguring certain parcels and identifying parts of the filled-in Basin as Building Area.

C. A lot line adjustment has been, or will be, completed through which the configuration of the Shopping Center parcels has been, or will be, changed. As a result of the lot

line adjustment, there will be five parcels at the Shopping Center, which parcels are individually referred to as Parcel 1, Parcel 2, Parcel 3, Parcel B, and Parcel E. Arroyo will own Parcel 1 and Scharin will own Parcels 2 and 3. The ownership of Parcels B and E will not change. A plot plan of the configuration of the Shopping Center, after the lot line adjustment, is attached hereto, marked as Exhibit "B" and incorporated herein by reference.

D. Through entering into this Modification, the terms of the Declaration of Restrictions will be modified to reflect the existing configuration of the Shopping Center and to effectuate other changes, as described in this document.

E. Under the terms of the Declaration of Restrictions, in order to modify that Declaration, all of the Owners must agree, and the tenants of the buildings located on Parcel B and Parcel C must consent to this Modification. Nova Scotia Financial Group, Inc., the tenant of the building located on Parcel B, and the Dollar Tree Stores, Inc., the tenant of Parcel C, agree to this Modification, as indicated by affixing their signatures below.

MODIFICATION

1. All references to "Parcel A" in the Declaration of Restrictions shall be changed to "Parcel 1."

2. All references to "Parcel C" in the Declaration of Restrictions shall be changed to "Parcel 2."

3. All references to "Parcel D" in the Declaration of Restrictions shall be changed to "Parcel 3."

4. Paragraph 5 of that Section of the Declaration of Restrictions entitled "Development," is deleted in its entirety, and any remaining sentences in the Declaration of Restrictions containing the word "Basin" are to be read as though "Basin" was deleted.

5. That portion of Paragraph 4 of that Section of the Declaration of Restrictions entitled "Operations and Maintenance of Common Area," which reads as follows:

"The percentage shares of such costs and expenses are as follows:

Parcel A	15.70%
Parcel B	31.37%
Parcel C	31.03%
Parcel D	17.59%
Parcel E	<u>4.31%</u>
TOTAL	100.00%"

shall be deleted, and the following language shall be inserted in its place:

"The percentage shares of such costs and expenses are as follows:

Parcel 1	31.19%
Parcel 2	28.14%
Parcel 3	7.24%
Parcel B	29.39%
Parcel E	<u>4.04%</u>
TOTAL	100.00%

6. That portion of Paragraph 3 of that Section of the Declaration of Restrictions entitled "Restrictions on Use" which reads as follows:

"and provided further that this restriction shall not prohibit the operation of one (1) restaurant containing not more than four thousand (4,000) square feet of floor area and offering alcoholic beverages for on-premises consumption only,"

shall be deleted, and the following language shall be inserted in its place:

"and provided further that this restriction shall not prohibit the operation of one (1) restaurant containing not more than six thousand nine hundred (6,900) square feet of floor area and offering alcoholic beverages for on-premises consumption only,"

7. Parcel 3 shall be developed in accordance with the plans and specifications approved by the Owners. The Owner of Parcel 3, at its sole cost and expense, shall fill in the Basin and relocate the pylon signs respecting the Center, including but not limited to, the Spencer's Market sign located along East Grand Avenue. The Owner of Parcel B and its tenant shall have the right to approve the location and appearance of the relocated pylon. The Owner of Parcel 3 shall also be responsible for repairing any damage or replacing the parking lot, landscaping and signage which is disturbed by the construction on Parcel 3. In addition to the other restrictions set forth in the Declaration of Restrictions, Parcel 3 shall be subject to the following restrictions:

- a. The height of the main parapet wall of the building shall be limited to 18 feet 9 1/2 inches and the entry tower will be limited to 23 feet;
- b. The area of the building shall be limited to 6,142 square feet;
- c. The footprint of the building will be limited to 95 feet in depth by 59 feet 8 inches in width.
- d. Parcel 3 shall not be used for fast food, gas station or "mini-market" or similar type uses or any other use that has a drive-through window or service.


8. All references to Exhibit "A" in the Declaration of Restrictions shall hereafter refer to Exhibit "A" attached to this Modification.

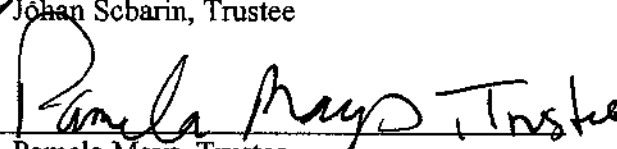
9. All references to Exhibit "B" in the Declaration of Restrictions shall hereafter refer to Exhibit "B" attached to this Modification.

10. In all other respects, the remaining terms and conditions of the Declaration of Restrictions shall remain in full force and effect. Any capitalized terms not defined in this Modification shall have the same meaning given to them in the Declaration of Restrictions.

IN WITNESS WHEREOF, the parties hereto have executed this Modification as of the day and year first above written.

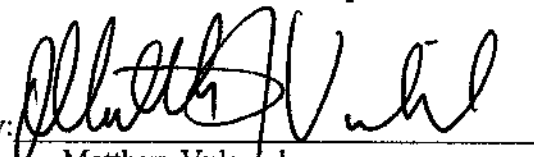
The Scharin Family Trust dated February 18, 2003

By: 
Johan Scharin, Trustee

By: 
Pamela Mays, Trustee

OTR

An Ohio General Partnership

By: 
Matthew Vulantich

Title: AUTHORIZED Agent

The Ronald R. Olson and Sharon B. Olson Living Trust dated July 31, 1986

By: _____
Ronald R. Olson, Trustee


By: _____
Sharon B. Olson, Trustee

State of California)
County of Santa Barbara) ss.

On April 6, 2007 before me, a Notary Public in and for said County and State, personally appeared Johan Scharin and Pamela Mays, 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.

Signature



(Seal)

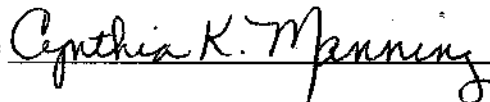


State of Ohio)
County of Franklin) ss.

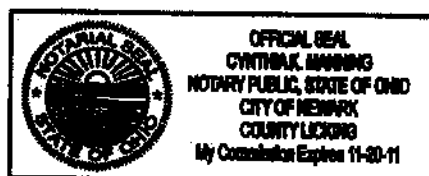
On MARCH 16, 2007 before me, a Notary Public in and for said County and State, personally appeared Matthew Vulcanich, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that 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.

Signature



(Seal)



9. All references to Exhibit "B" in the Declaration of Restrictions shall hereafter refer to Exhibit "B" attached to this Modification.

10. In all other respects, the remaining terms and conditions of the Declaration of Restrictions shall remain in full force and effect. Any capitalized terms not defined in this Modification shall have the same meaning given to them in the Declaration of Restrictions.

IN WITNESS WHEREOF, the parties hereto have executed this Modification as of the day and year first above written.

The Scharin Family Trust dated February 18, 2003

By: _____
Johan Scharin, Trustee

By: _____
Pamela Mays, Trustee

OTR
An Ohio General Partnership

By:  _____
Matthew Vulanich

Title: AUTHORIZED Agent

The Ronald R. Olson and Sharon B. Olson Living Trust dated July 31, 1986

By:  _____
Ronald R. Olson, Trustee

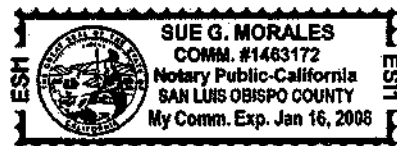
By:  _____
Sharon B. Olson, Trustee

State of California)
) ss.
County of San Luis Obispo)

On March 27, 2007 before me, a Notary Public in and for said County and State, personally appeared Ronald R. Olson and Sharon B. Olson, 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.

Signature Sue D. Morales (Seal)



State of _____)
) ss.
County of _____)

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared Gary H. Grossman, 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.

Signature _____ (Seal)

Arroyo Town & Country Square, LLC
A Delaware Limited Liability Company

By: _____

Name: _____

Title: _____

The Joseph Gordon Scolari and Eldeen W. Scolari 1979 Revocable Trust

By: _____

Joseph Gordon Scolari, Trustee

The William G. Gerrish and Nancy L. Gerrish Family Trust dated February 29, 1996

By: _____

William W. Gerrish, Trustee

By: _____

Nancy L. Gerrish, Trustee

State of _____)
County of _____) ss.

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared Ronald R. Olson and Sharon B. Olson, 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.

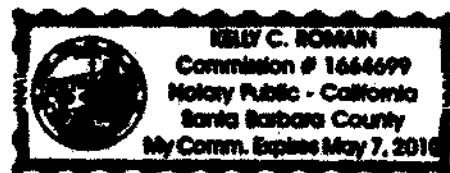
Signature _____ (Seal)

State of California)
County of Santa Barbara) ss.

On March 27, 2007 before me, a Notary Public in and for said County and State, personally appeared Gary H. Grossman, 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.

Signature Kelly C. Roman (Seal)



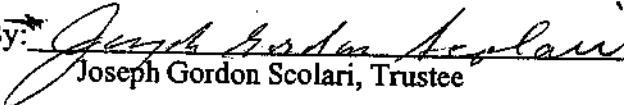
Arroyo Town & Country Square, LLC
A Delaware Limited Liability Company

By: _____

Name: _____

Title: _____

The Joseph Gordon Scolari and Eldeen W. Scolari 1979 Revocable Trust

By: 
Joseph Gordon Scolari, Trustee

The William G. Gerrish and Nancy L. Gerrish Family Trust dated February 29, 1996

By: _____
William W. Gerrish, Trustee

By: _____
Nancy L. Gerrish, Trustee

By: Joseph Gordon Scolari
Joseph Gordon Scolari, Trustee

The William G. Gerrish and Nancy L. Gerrish Family Trust dated February 29, 1996

By: William W. Gerrish
William W. Gerrish, Trustee

By: Nancy L. Gerrish
Nancy L. Gerrish, Trustee

CONSENT TO MODIFICATION

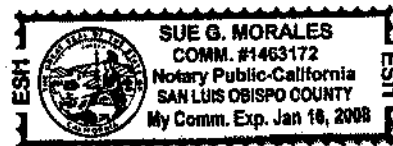
State of California)
) ss.

County of San Luis Obispo

On March 27, 2007 before me, a Notary Public in and for said County and State, personally appeared Joseph Gordon Scolari, 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.

Signature Sue G. Morales (Seal)



State of California)
) ss.

County of San Luis Obispo

Kathryn Mendoza,

On March 22, 2007 before me, a Notary Public in and for said County and State, personally appeared William W. Gerrish and Nancy L. Gerrish, 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.

Signature Kathryn Mendoza (Seal)



State of _____)
) ss.
County of _____)

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared Joseph Gordon Scolari, 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.

Signature _____ (Seal)

State of California)
) ss.
County of San Luis Obispo)

Kathryn Mendoza
On March 22, 2007 before me, a Notary Public in and for said County and State, personally appeared William W. Gerrish and Nancy L. Gerrish, ~~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.

Signature Kathryn Mendoza (Seal)



CONSENT TO MODIFICATION

Nova Scotia Financial Group, Inc., as the tenant of the building located on Parcel B of the Subject Property, and Dollar Tree Stores, Inc., as the tenant of Parcel 2 (referred to in the Declaration of Restrictions as Parcel C), hereby consent to all of the terms and conditions of the Modification to Declaration of Restrictions and Grant of Easements.

Nova Scotia Financial Group, Inc.
A Nevada Corporation

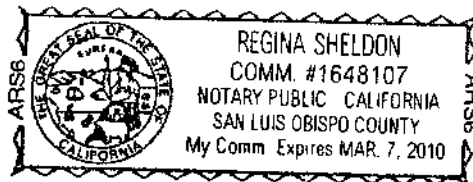
By: John M. Spencer
John M. Spencer
Title: President

Dollar Tree Stores, Inc.
A Virginia Corporation

By: _____
John L. Cote

Title: _____

State of California)
County of San Luis Obispo) ss.



On March 16, 2007 before me, a Notary Public in and for said County and State, personally appeared John M. Spencer, ~~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.

Signature Regina Sheldon (Seal)

State of _____)
County of _____) ss.

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared John L. Cote, 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.

Signature _____ (Seal)

CONSENT TO MODIFICATION

Nova Scotia Financial Group, Inc., as the tenant of the building located on Parcel B of the Subject Property, and Dollar Tree Stores, Inc., as the tenant of Parcel 2 (referred to in the Declaration of Restrictions as Parcel C), hereby consent to all of the terms and conditions of the Modification to Declaration of Restrictions and Grant of Easements.

Nova Scotia Financial Group, Inc.
A Nevada Corporation

By: _____
John M. Spencer

Title: _____

Dollar Tree Stores, Inc.
A Virginia Corporation

By: _____
John L. Cote

Title: _____

State of _____)
) ss.
County of _____)

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared John M. Spencer, 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.

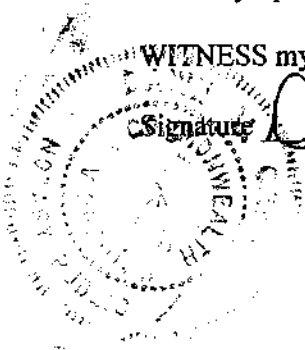
Signature _____ (Seal)

State of Virginia)
City of _____) ss.
County of Chesapeake)

On March 27, 2007 before me, a Notary Public in and for said County and State, personally appeared John L. Cote, 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.

Signature John M. Cote (Seal)

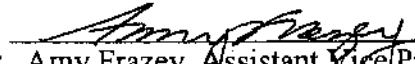


CONSENT TO MODIFICATION

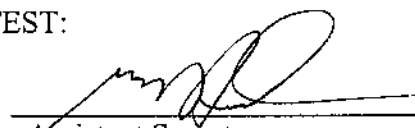
Standard Insurance Company, an Oregon corporation, as to an undivided 51% of the beneficial interest, and Mennonite Mutual Aid Association, an Indiana fraternal benefit association, as to an undivided 49% of the beneficial interest, as the lienholders on the Property more particularly described in Exhibit "A" attached hereto, hereby consent to all of the terms and conditions of the Modification to Declaration of Restrictions and Grant of Easements dated March 4, 1981, attached hereto as Exhibit "B".

Dated: April 3, 2007

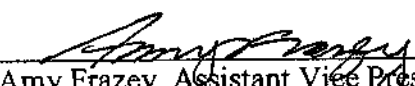
Standard Insurance Company,
an Oregon corporation

By: 
Amy Frazey, Assistant Vice President

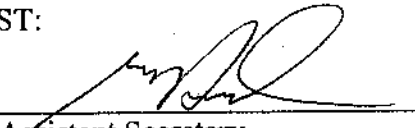
ATTEST:

By: 
Assistant Secretary

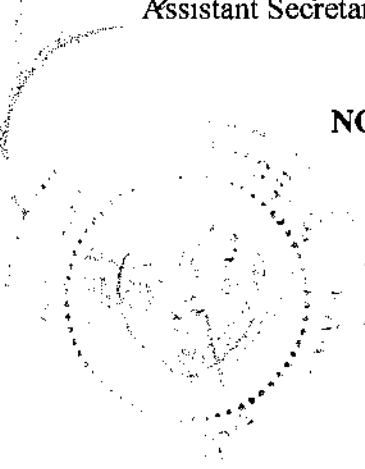
Stan Corp Mortgage Investors, LLC,
an Oregon limited liability company, with
Limited Power of Attorney for
Mennonite Mutual Aid Association,
a(n) Indiana Fraternal Benefit Society,
pursuant to a Limited Power of Attorney
dated July 20, 2005, attached hereto

By: 
Amy Frazey, Assistant Vice President

ATTEST:

By: 
Assistant Secretary

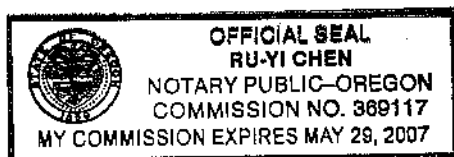
NOTARY ACKNOWLEDGEMENT ATTACHED



STATE OF OREGON)
) ss:
COUNTY OF WASHINGTON)

On this 3rd day of April, 2007, before me appeared AMY FRAZEY and GREGG HARROD, both to me personally known, who being duly sworn did say that she, the said AMY FRAZEY is the Assistant Vice President, and he, the said GREGG HARROD is the Assistant Secretary of STANDARD INSURANCE COMPANY, the within named corporation, and that the seal affixed to said document is the corporate seal of said corporation, and that the said document was signed and sealed in behalf of said corporation by authority of its Board of Directors, and AMY FRAZEY and GREGG HARROD acknowledged said document to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal the day and year last above written.



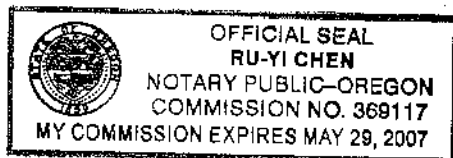
A handwritten signature in black ink, appearing to be "Ru-Yi Chen", is written over a horizontal line.

Ru-Yi Chen
Notary Public for Oregon
My Commission Expires: May 29, 2007

STATE OF OREGON)
) ss:
COUNTY OF MULTNOMAH)

On this 3rd day of April, 2007, before me appeared AMY FRAZEY and GREGG HARROD, both to me personally known, who being duly sworn did say that she, the said AMY FRAZEY is the Assistant Vice President, and he, the said GREGG HARROD is the Assistant Secretary of STANCORP MORTGAGE INVESTORS, LLC, an Oregon limited liability company, the within named limited liability company, and that the said document was signed in behalf of said limited liability company, and AMY FRAZEY and GREGG HARROD acknowledge said document to be the free act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal the day and year last written.



A handwritten signature in black ink, appearing to be "Ru-Yi Chen", is written over a horizontal line.

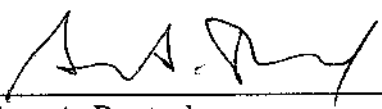
Ru-Yi Chen
Notary Public for Oregon
My Commission Expires: May 29, 2007

CONSENT TO MODIFICATION

Capmark Finance Inc., a California Corporation, as Master Servicer for Wells Fargo Bank, N.A., as Trustee for J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2005-LDP3, as the leinholder on Parcels A and D hereby consents to all the terms and conditions of the Modification to Declaration of Restrictions and Grant of Easements.

WELLS FARGO BANK, N.A., AS TRUSTEE
FOR J.P. MORGAN CHASE COMMERCIAL
MORTGAGE SECURITIES CORP.,
COMMERCIAL MORTGAGE PASS-THROUGH
CERTIFICATES, SERIES 2005-LDP3

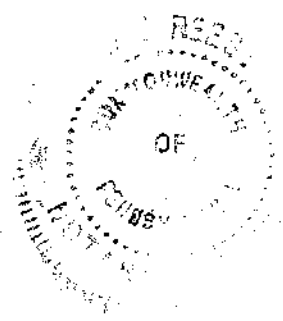
By: Capmark Finance Inc., a California
corporation, its Master Servicer

By: 
Name: Gary A. Routzahn
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF MONTGOMERY)

On this the 12th day of April, 2007, before me the undersigned officer, personally appeared Gary A. Routzahn, who acknowledged himself to be the Vice President of Capmark Finance Inc., a California corporation, as the Master Servicer for WELLS FARGO BANK, N.A., AS TRUSTEE FOR J.P. MORGAN CHASE COMMERCIAL MORTGAGE SECURITIES CORP., COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2005-LDP3 and that he as such Vice President, being authorized to do so, executed the foregoing instrument on behalf of WELLS FARGO BANK, N.A., AS TRUSTEE FOR J.P. MORGAN CHASE COMMERCIAL MORTGAGE SECURITIES CORP., COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2005-LDP3 for the purposes therein contained.

WITNESS my hand and seal the day and year aforesaid.




Notary Public

My Commission Expires: 11/24/2010

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Jean Reese, Notary Public
Horsham Twp., Montgomery County
My Commission Expires Jan. 12, 2010
Member, Pennsylvania Association of Notaries

DESCRIPTION OF THE SUBJECT PROPERTY

Parcels B and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof.

EXHIBIT A
Legal Description
Parcel 1

Being a portion of Parcels A and D of Parcel Map AG 82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 32, page 21 of Parcel Maps, along with a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps, both filed in the office of the County Recorder of said County being more particularly described as follows:

Beginning at the northwesterly most corner of said Parcel A; thence along the boundary of said Parcel A the following ten (10) courses and distances:

1. South 86°45'00" East, 82.69 feet;
2. North 3°15'00" East, 8.15 feet;
3. South 86°45'00" East, 22.30 feet;
4. South 3°15'00" West, 8.15 feet;
5. South 86°45'00" East, 33.81 feet;
6. South 3°15'00" West, 135.79 feet;
7. North 86°45'00" West, 34.43 feet;
8. South 3°15'00" West, 195.00 feet;
9. South 86°45'00" East, 206.30 feet; and
10. North 3°15'00" East, 235.95 feet to a point on the southerly boundary of said Parcel D; thence along the boundary of said Parcel D the following eleven (11) courses and distances:
 11. North 86°45'00" West, 1.08 feet;
 12. North 3°15'00" East, 142.03 feet;
 13. South 86°45'00" East, 2.16 feet;
 14. North 3°15'00" East, 141.98 feet;
 15. South 86°42'14" East, 33.28 feet;

EXHIBIT A

16. North 3°12'41" East, 120.05 feet;
17. South 86°43'33" East, 16.00 feet;
18. South 3°15'06" West, 245.73 feet;
19. South 86°45'29" East, 319.78 feet;
20. South 3°15'38" West, 158.36 feet and
21. North 86°44'41" West, 300.04; thence along a line parallel with and 10.00 feet easterly and southerly of said boundary of Parcel CC the following two (2) courses and distances:
22. South 3°15'00" West, 245.95 feet and
23. North 86°45'00" West, 92.84 feet to a point on the easterly boundary of said Parcel A; thence leaving said parallel line
24. South 3°14'23" West, along the boundary of said Parcel A, a distance of 47.48 feet; thence
25. North 86°45'00" West, along a line 96.20 feet northerly of and parallel with the southerly line of said Parcel A, a distance of 127.78 feet, more or less, to a point on the easterly boundary of said Parcel A; thence along said easterly boundary of Parcel A the following three (3) courses and distances:
26. North 3°14'28" East, 32.41 feet;
27. North 86°43'19" West, 100.04 feet and
28. North 3°15'00" East, 355.81 feet to the **point of beginning**.

Contains 2.52 acres, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof

EXHIBIT A
Legal Description
Parcel 2

Being a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps in the office of the County Recorder of said County being more particularly described as follows:

Beginning at the northeasterly most corner of said Parcel CC; thence along the boundary of said Parcel CC the following three (3) courses and distances:

1. North $86^{\circ}45'00''$ West, 60.00 feet;
2. South $3^{\circ}15'38''$ West, 158.36 feet and
3. North $86^{\circ}44'41''$ West, 300.04 feet; thence leaving said boundary of Parcel CC and along a line parallel with and 10.00 feet easterly and southerly of said boundary of Parcel CC the following two (2) courses and distances:
 4. South $3^{\circ}15'00''$ West, 245.95 feet and
 5. North $86^{\circ}45'00''$ West, 92.84 feet; thence leaving said parallel line
 6. South $3^{\circ}14'23''$ West, 47.48 feet; thence
 7. South $86^{\circ}45'00''$ East, 196.33 feet; thence
 8. South $3^{\circ}17'52''$ West, 92.60 feet, more or less, to a point on the south line of said Parcel CC; thence along said south line of Parcel CC
 9. South $86^{\circ}45'00''$ East, 51.60 feet to the southeasterly corner of said Parcel CC; thence along the boundary of said Parcel CC the following three (3) courses and distances:
 10. North $3^{\circ}15'36''$ East, 160.00 feet;
 11. South $86^{\circ}44'40''$ East, 204.94 feet and
 12. North $3^{\circ}15'49''$ East, 384.39 feet to the point of beginning.

Contains 2.54 acres, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof

EXHIBIT A
Legal Description
Parcel 3

Being a portion of Parcel A of Parcel Map AG 82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 32, page 21 of Parcel Maps, along with a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps, both filed in the office of the County Recorder of said County being more particularly described as follows:

Beginning at the southwesterly most corner of said Parcel A; thence

1. North 3°14'28" East, along the easterly boundary of said Parcel A, a distance of 92.60 feet; thence leaving said boundary of Parcel A
2. South 86°45'00" East, along a line parallel with and 92.60 feet northerly of the south line of said Parcels A and CC, a distance of 324.11 feet; thence
3. South 3°17'52" West, 92.60 feet to a point on the south line of said Parcel CC; thence
4. North 86°45'00" West, along the south line of said Parcels CC and A, a distance of 324.02 feet to the point of beginning.

Contains 30,009 square feet, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof

COURTLAND STREET

PARCEL 1

PARCEL B

PARCEL 2

PARCEL 3

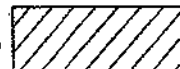
PARCELE

GRAND AVENUE

NOT TO SCALE

LEGEND

BUILDING AREA



eda design professionals

civil engineers • land surveyors • land planners
1998 santa barbara st • san luis obispo, ca 93401
ph: 805/549-8658 • email: eda@edalnc.com

EXHIBIT B

SHEET 1
job. no. 2.3409.000

END OF DOCUMENT

INVESTEC
FILE
rec'd 2-17-99

Doc No: 1993-080610

Rec No: 90004680

Official Records
San Luis Obispo Co.
Francis M. Cooney

Recorder

Dec 23, 1993

Time: 15:25

@@

25

TOTAL

27.00

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Store #31-263

Town and Ranch Realty
701 Grand Ave.
Arroyo Grande CA 93420

ATTN: Real Estate Manager

GRANT OF EASEMENT AND
EASEMENT CONDITIONS AND COVENANTS

THIS GRANT OF EASEMENT AND EASEMENT CONDITIONS AND COVENANTS ("Agreement") is made as of the 1st day of June, 1993, by and between OTR, an Ohio general partnership ("OTR"), and NORTH COAST ASSOCIATES, a California General Partnership ("North Coast"), collectively hereinafter referred to as "Grantor" and MERILEE PECK NEWDOLL, a married woman as her sole and separate property, VICTOR A. BUCCOLA and SALLY L. BUCCOLA as Trustees of the Victor A. and Sally Buccola Family Trust, and THELMA M. WILLIAM, an unmarried woman, collectively hereinafter referred to as "Grantee", (collectively hereinafter referred to as the "Parties" and individually referred to as a "Party").

R E C I T A L S :

A. OTR is the owner of that certain property located in the City of Arroyo Grande, County of San Luis Obispo, State of California, more specifically described in Exhibit A, attached hereto and incorporated by reference herein, hereinafter referred to as "OTR's Property".

B. North Coast is the owner of that certain property located in the City of Arroyo Grande, County of San Luis Obispo, State of California, more specifically described in Exhibit B, attached hereto and incorporated by reference herein, hereinafter referred to as "North Coast's Property". North Coast's Property and OTR's Property shall hereinafter collectively be referred to as "Grantor's Property".

C. Grantee is the owner of that certain property located in the City of Arroyo Grande, County of San Luis Obispo, State of California, more specifically described in Exhibit C, attached hereto and incorporated by reference herein, hereinafter referred to as "Grantee's Property".

D. Grantee has requested that Grantor with respect to Grantor's Property grant Grantee a nonexclusive easement and right of way to construct, operate maintain, repair and replace a subsurface sewer discharge pipeline and appurtenances thereto together with the right of reasonable ingress and egress thereto for repair and replacement of such sewer discharge pipeline (hereinafter the "Sewer Connection Lateral") in order to provide sewer access for the development of Grantee's Property.

E. Grantor and Grantee desire to enter into this Agreement which clarifies Grantor's and Grantee's rights and obligations with respect to the easement area created by this Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements contained herein, the Parties to this Agreement mutually covenant and agree as follows:

1. To the extent that Grantor has the right to grant and to the extent that Grantor has not already granted exclusive rights to another party, Grantor hereby grants to Grantee a nonexclusive easement and right of way for a Sewer Connection Lateral no larger than eight (8) inches in diameter to be located no deeper than twenty (20) feet, across that portion of Grantor's Property as is described in Exhibit D and Exhibit E attached hereto and incorporated by reference herein.

2. That portion of OTR's Property which will contain the Sewer Connection Lateral to be used by Grantee pursuant to this Agreement is described in Exhibit D, attached hereto. That portion of North Coast's Property which will contain the Sewer Connection Lateral to be used by Grantee pursuant to this Agreement is described in Exhibit E, attached hereto. The legal descriptions contained in Exhibit D and E comprise the easement area ("Easement Area") in which the Sewer Connection Lateral will be constructed and maintained. The Easement Area is depicted on the site plan attached as Exhibit F hereto and incorporated by reference herein. A detailed drawing of the Easement Area is depicted on Exhibit G, attached hereto and incorporated by reference herein.

3. Grantee's use of the Easement Area shall continue in perpetuity unless terminated pursuant to the provisions of this Agreement.

4. Grantee acknowledges that all use of the Easement Area on Grantor's Property by Grantee shall be pursuant to this Agreement and that Grantee shall not, by such use, acquire any rights in or to Grantor's Property or the Easement Area by prescription, adverse possession or otherwise.

5. Grantee shall use the Easement Area for the sole purpose of constructing and maintaining the Sewer Connection Lateral and shall not use the Easement Area for any other purpose whatsoever. Grantee shall by entering upon and occupying the Easement Area, be deemed to have accepted the property "AS IS," in its then condition, and Grantee hereby releases Grantor, its affiliates and their directors, officers, employees, agents, lessees and sublessees from any liability or loss caused by any latent or patent defect therein. The term "affiliate" means any individual, corporation, partnership or other entity that directly, or through one or more intermediaries, controls or is controlled by or is under common control with Grantor.

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6. Grantee shall comply with all governmental rules, regulations, ordinances, statutes and laws, the orders and regulations of the Insurance Services Office or any other body exercising similar functions, and all covenants, conditions and restrictions contained in that certain Declaration of Restrictions and Grant of Easements dated March 4, 1981, and recorded in the Official Records of San Luis Obispo County, California on March 10, 1981, in Volume 2310, at Page 334, as Document No. 10222 (the "Declaration"). Grantee agrees that it will not place any pylons, rope, temporary barriers, fences of any kind which shall prevent or impair the use or exercise of any of the easements granted in such Declaration, or the free access and movement, including without limitation, of pedestrians and vehicular traffic between the various parcels referred to in such Declaration. Grantee shall not commit or permit any nuisance or any immoral or illegal act to be committed on the Easement Area or Grantor's Property.

7. Grantor provides no warranties or representations regarding the impact of any potential zoning ordinance upon Grantee's contemplated use of the Easement Area. Grantee covenants and represents that it has or will obtain all necessary permits required from any local governmental authority having jurisdiction over the Easement Area and Grantor's Property which will allow for Grantee's contemplated activities within the Easement Area.

8. Grantor specifically reserves to itself, its successors, assigns, lessees, sublessees, customers, employees, and invitees and all others currently entitled, to have access to the Easement Area and Grantor's Property, and reserves any and all rights not inconsistent with the grant of the easement made herein.

9. Grantee agrees that it will not exercise its rights under this Agreement in such a manner as to interfere with the use of Grantor's Property and improvements thereon by Grantor, its successors, assigns, lessees, sublessees, customers, employees and invitees.

10. Grantee agrees that it will permit no mechanics', materialmen's or other liens to stand against Grantor's Property for work or materials furnished Grantee in connection with Grantee's use or maintenance of the Easement Area or the landscaped slope area adjacent to the Easement Area (the "Landscaped Slope Area", as depicted on Exhibit F and Exhibit G attached hereto), and Grantee agrees to indemnify and hold Grantor, its successors, assigns, lessees and sublessees harmless from the same.

11. Any installation or replacement of street improvements or other improvements performed hereunder shall be at no cost to Grantor unless agreed to in writing by Grantor, and shall be so

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performed as to interfere as little as reasonably possible with the use and enjoyment of Grantor's Property by persons occupying the same or lawfully present thereon. Grantee shall at all times during the period of this Agreement preserve access to and from Grantor's Property.

12. If the surface of the Easement Area and/or surface of the Landscaped Slope Area and/or any improvements thereon shall be disturbed by Grantee, its contractors, subcontractors, employees or others, Grantee shall promptly restore or cause to be restored said surface and/or improvements to their condition just prior to such disturbance.

13. Grantee, with respect to its use and occupancy of the Easement Area and Grantor's Property, agrees to defend Grantor, its agents, servants, employees, officers, directors, affiliates, lessees and sublessees ("Grantor Indemnified Parties"), against any, and all demands, claims, assertions of liability, actions, proceedings, or liens arising or alleged to have arisen out of any act or omission of Grantee, its agents, servants, and employees, whether such demand, claim, assertion of liability or actions, proceedings or liens be for damages, injury to person or property, including the property of Grantor, or death of any person, made by any person, group or organization, whether employed by either of the Parties or otherwise, and agrees to assume legal liability for, indemnify and hold free and harmless the Grantor Indemnified Parties from any and all loss, damages, liability, costs or expenses (including, but not limited to, attorneys' fees, reasonable investigative and discovery costs and court costs) and all other sums which the Grantor Indemnified Parties may reasonably pay or become obligated to pay on account of any, all and every demand, claim, assertion of liability, proceeding, lien or action arising or alleged to have arisen out of any act or omission of Grantee, its agents, servants and employees, whether such claim, demand, assertion of liability, proceeding, lien or action be for damages, injury to person or property, including the property of Grantor, or death of any person, made by any person, group or organization, whether employed by either of the Parties or otherwise. Grantor shall promptly notify Grantee of any demand, claim, assertion of liability, proceeding, lien or action with respect to which Grantor is or may be indemnified against hereunder and shall deliver to Grantee copies of any process and pleadings.

14. Grantee agrees that it shall at its own expense maintain in force a policy or policies of insurance written by one or more responsible insurance carriers, reasonably satisfactory to Grantor, licensed to do business in the state in which Grantor's Property is located and which shall insure against liability for injury to and/or death of and/or damage to property of any person or persons, with policy limits of not less than One Million Dollars (\$1,000,000.00) combined single limit. Such policy or policies shall provide, among other things, (i)

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products liability; (ii) blanket contractual liability insurance recognizing and insuring the assumption of liability assumed by the purchaser thereof in Section 13 hereof and (iii) shall contain a provision that the insurer will furnish Grantor and Grantor's lessees and Grantee advance written notice of any cancellation or lapse, or the effective date of any reduction in the amounts or scope of coverage.

15. Grantee agrees to maintain and keep in force, for the duration of this Agreement, all Workers' Compensation and Employers' Liability Insurance required under applicable Workers' Compensation Acts.

16. Grantee shall cause a certificate providing such information as reasonably requested by Grantor and Grantor's lessees, evidencing the existence and limits of its insurance coverage with respect to Grantor's Property prior to commencing any construction pursuant to this Agreement. Each of such certificates shall provide that such insurance shall not be canceled or amended to reduce the amounts or scope of coverage unless thirty (30) days' prior written notice of such cancellation or amendment is given to the party designated on such certificate as the holder thereof.

17. During the period of any construction on Grantor's Property, Grantee shall obtain or require its contractor(s) to obtain and thereafter maintain so long as such construction activity is occurring, at least the following minimum insurance coverages: (i) Workers' compensation at statutory limits; (ii) Employer's liability in the amount of One Million Dollars (\$1,000,000.00); and (iii) Comprehensive General and Commercial Automobile Liability as follows: (1) "Combined Single Limit" (covering personal injury liability, bodily injury liability and property damage liability) of not less than Two Million Dollars (\$2,000,000.00); (2) Independent Contractor's Liability or Owner's Protective Liability with the same coverage as set forth in (1) above; (3) Products/Completed Operations Coverage which shall be kept in effect for two (2) years after completion of work; (4) "XCU" Hazard Endorsement, if applicable; (5) "Broad Form" Property Damage Endorsements; (6) "Personal Injury" Endorsements; and (7) "Blanket Contractual Liability" Endorsement.

18. Any insurance required to be provided under this Agreement may be in the form of blanket liability coverage, so long as the blanket policy does not reduce the limits nor diminish the coverage required herein.

19. Grantee's obligation with respect to indemnification hereunder shall remain effective, notwithstanding expiration or termination of this Agreement, as to claims occurring prior to the expiration or termination of this Agreement.

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20. Grantee agrees, from and after the date first referenced above, to indemnify and hold harmless Grantor Indemnified Parties, their affiliates, directors, officers, employees, representatives and agents, from and against any and all judgments, claims, expenses (including attorneys' and other consultants' reasonable fees and costs), causes of action, damages, and liability, including without limitation: (i) all foreseeable and all unforeseeable consequential damages, injunction, or other relief, directly or indirectly arising out of the use, generation, storage, disposal, release or threatened release of Hazardous Material, and (ii) the cost of any reasonably necessary investigation, repair, cleanup, remediation or detoxification of the Easement Area or Grantor's Property and other affected property and the preparation of any corrective action, closure, or other required plans or reports, to the full extent that such actions are alleged to be attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of Hazardous Material by any person and relate to or involve the Easement Area or Grantor's Property.

"Hazardous Material" means any substance, waste, or material determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety and property, including, but not limited to, all substances, wastes and materials designated, defined or listed as hazardous, extremely hazardous or toxic pursuant to the Clean Water Act, 33 USC Section 1251, et. seq.; the Resource Conservation and Recovery Act, 42 USC Section 6901, et. seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC Section 9601, et. seq.; the United States Department of Transportation Hazardous Material Table, 49 CFR, Part 172; regulations of the Environmental Protection Agency, 40 CFR, Part 302; or such substances, materials and wastes that are or become regulated under any applicable local, state or federal law, and including any asbestos, petroleum and any petroleum fractions, urea formaldehyde foam insulation, chlorofluorocarbons or polychlorinated biphenyl.

21. Grantee agrees that no buildings or other structures of any kind or character except for the Sewer Connection Lateral shall be constructed or maintained in or on the Easement Area or in or on Grantor's Property by Grantee or its successors, other than those which are located thereon as of the date of this Agreement. No above ground structures of any kind or character shall be constructed or maintained on the Easement Area or on Grantor's Property by Grantee or its successors.

22. All notices, requests, demands, and other communications hereunder shall be in writing and shall be given (i) by Federal Express (or other established express delivery service which maintains delivery records), (ii) by hand delivery, or (iii) by

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certified or registered mail, postage prepaid, return receipt requested, to the parties at the following addresses, or at such other address as the parties may designate by written notice in the above manner:

To Grantee: 701 Grand Avenue
Arroyo Grande, CA 93420

To Grantor: The State Teachers Retirement System of Ohio
275 East Broad Street
Columbus, Ohio 43215
Attention: Real Estate
(OTR)

North Coast Associates
c/o Investec Management
200 East Carillo, Suite 200
Santa Barbara, CA 93101
(North Coast)

With
Additional
Notice to:

Lucky Stores, Inc.
Southern California Division
6565 Knott Avenue
Buena Park, CA 90620
Attention: Real Estate Manager
(OTR's Lessee)

Such communications may also be given by facsimile transmission, provided any such communication is concurrently given by one of the above methods. Notices shall be deemed effective upon receipt, or upon attempted delivery thereof if delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means for accomplishing delivery.

23. Prior to commencing construction of said Sewer Connection Lateral Grantee agrees to provide Grantor with copies of the plans and specifications for Grantor's approval, which approval shall not be unreasonably withheld.

24. Grantee shall not place any signs or any other obstructions on the Easement Area, the Landscaped Slope Area nor Grantor's Property without the prior written consent of Grantor and Grantor's lessees, which consent may be withheld in its sole, subjective discretion.

25. Grantee agrees to be responsible at its cost and expense for insuring and maintaining the Easement Area and the Landscaped Slope Area adjacent to the Easement Area, including the landscaping cover and all improvements located thereon in good condition and repair. All charges incurred in connection

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with such maintenance of the Easement Area and the Landscaped Slope Area, including furnishing irrigation water thereto, shall be sent by Grantees within thirty (30) days of receipt of an itemized billing from the common area manager ("Manager"), acting on behalf of North Coast pursuant to the Declaration. The current Manager is Investec Management. The current address for correspondence to the Manager is: Investec Management, 200 East Carillo, Santa Barbara, California 93101, or to such other address as North Coast shall advise Grantee in writing.

26. Prior to Grantee commencing construction of said Sewer Connection Lateral and each year thereafter for the duration of this Agreement, the Manager shall cause to be issued certificates of insurance to Grantor and to Grantor's lessees, which evidence the insurance coverage which is described in this Agreement.

27. In the event North Coast resigns as the Manager or is replaced pursuant to the provisions of the Declaration or otherwise, North Coast agrees to perform or cause its agent to perform all of the duties described herein to be performed by the Manager if the Manager's successor does not perform them.

28. Within ten (10) days following the final execution of this Agreement by all Parties hereto, Grantee shall deposit \$5,000.00 ("Grantee's Maintenance Deposit") with the Manager to be held for future payment for insurance, and/or maintenance costs and expenses for the Easement Area and the Landscaped Slope Area in the event Grantee does not provide insurance coverage or reimburse the Manager for maintenance costs as provided in Section 25 above.

29. In the event that Grantee fails to provide evidence of insurance as required in this Agreement, or Grantee fails to maintain the Easement Area and the Landscaped Slope Area in good condition and repair, or Grantee fails to restore the surface of the Easement Area as required by Section 12 above, and such failure continues for thirty (30) days after Grantor has given Grantee written notice thereof, and Grantee fails to commence to cure such failure within said thirty (30) day period, Grantor may elect to cause such failure to be remedied and may direct the Manager to pay for the costs from Grantee's Maintenance Deposit.

30. In the event all of Grantee's Maintenance Deposit has been depleted for insurance and/or maintenance costs and Grantee fails to reimburse Grantor for current insurance and/or maintenance costs within the thirty (30) day period described in Section 25, Grantor may take action described in Section 31.

31. In the event of any default by Grantee in the performance of any term or condition of this Agreement, and Grantee fails to cure such default within thirty (30) days after Grantor shall have given Grantee written notice thereof, Grantor may upon sixty (60) days notice, cancel this Agreement, re-enter

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Grantor's Property and take possession thereof and remove all persons and property therefrom. Grantee agrees to hold Grantor harmless from any liability whatsoever for the removal and/or storage of any property from the Easement Area, whether of Grantee or any third party whomsoever.

32. In the event Grantee's Property is developed as a residential subdivision, Grantees shall establish a homeowner's association therefore which shall be bound by and shall perform each and every condition and covenant set forth in this Agreement.

33. Grantor agrees that should the City of Arroyo Grande agree to pay for the costs and expenses of maintaining the Sewer Connection Lateral, the Easement Area, and the Landscaped Slope Area, then Grantor shall request that the Manager provide Grantee with a refund of all of Grantee's Maintenance Deposit which has not been depleted for maintenance costs and expenses. Thereafter, for so long as the City of Arroyo Grande pays for the maintenance costs and expenses, Grantee shall be relieved of the responsibility to pay for maintenance.

34. Grantee hereby releases and forever discharges Grantor and the Grantor Indemnified Parties from any and all claims, acts, liabilities, damages, demands, grievances, judgments, liens, rights of action and causes of action of any nature whatsoever which Grantee ever had or may in the future have against Grantor and Grantor Indemnified Parties arising out of or in any way connected with the property in which the Easement Area is located. This release is intended as a full, complete and general release of all of Grantee's claims against Grantor and the Grantor Indemnified Parties, and each of them aforesaid. Grantee reserves no claim, act, liability, damage, demand, grievance, judgment, right of action or cause of action arising out of or in any way connected with this Agreement or its use of the property in which the Easement Area is located. Grantee expressly waives any and all rights it may have under Section 1542 of the Civil Code of the State of California, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

35. Nothing contained in this Agreement shall be deemed or construed by the Parties hereto or by any third party to create the relationship of principal and agent or a partnership or a joint venture or any association between Grantor and Grantee, collectively or individually. No provision of this Agreement, nor any acts of the Parties hereto, shall be deemed to create any relationship between Grantor and Grantee other than the

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relationship of grantor and grantee for the purposes of granting the easement herein. Grantor's failure to enforce or delay enforcement of any provisions hereof of any right hereunder shall not be construed as a waiver of such provision or right. Grantor's exercise of any right hereunder shall not preclude or prejudice the exercise thereafter of the same or any other right. The various rights, options, elections and remedies of Grantor contained in this Agreement shall be cumulative, no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law which are not expressly waived in this Agreement.

36. This Agreement sets forth the entire understanding and agreement between the Parties hereto and supersedes all previous communications, negotiations and agreements, whether oral or written, with respect to the subject matter hereof. No addition to or modification of this Agreement shall be binding on either Party unless reduced to writing and duly executed by or on behalf of the Parties hereto.

37. Invalidation of any of the covenants, conditions, restrictions, or other provisions contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions or provisions hereof, or the application thereof and the same shall remain in full force and effect.

38. In the event either Party commences a legal proceeding to enforce any of the terms of this Agreement, the prevailing Party in such action shall have the right to recover reasonable attorneys' fees and costs from the other Party, to be fixed by the court in the same action. The term "legal proceedings" shall include appeals from a lower court judgment as well as proceedings in the Federal Bankruptcy Court ("Bankruptcy Court"), whether or not they are adversary proceedings or contested matters. The "prevailing Party" (i) as used in the context of proceedings in the Bankruptcy Court shall mean the prevailing Party in an adversary proceeding or contested matter, or any other actions taken by the non-bankruptcy Party which are reasonably necessary to protect its rights under this Agreement, and (ii) as used in the context of proceedings in any court other than the Bankruptcy Court shall mean the Party that prevails in obtaining a remedy or relief which most nearly reflects the remedy or relief which the Party sought; so that, for example, the prevailing Party may be a Party which is ordered to pay \$100.00 where the obligation to pay \$80.00 was undisputed and the claiming Party claimed that it was entitled to \$1,000.00.

39. Grantee agrees that nothing contained herein shall be construed as giving Grantee any interest in any award or payment made to Grantor in connection with any exercise of eminent domain or transfer in lieu thereof affecting Grantor's Property.

40. This Agreement shall be binding upon and shall inure to the benefit of the Parties to this Agreement, their heirs, personal representatives, successors, transferees and assigns.

41. This Agreement may be executed in any number of counterparts, each of which when combined together shall constitute one and the same document.

42. This Agreement shall be recorded in the Official Records of San Luis Obispo County, State of California.

(THIS SPACE IS INTENTIONALLY LEFT BLANK)

CAT. NO. NN01500
TO 2930 (12-90)

(General Acknowledgment)

STATE OF CALIFORNIA

COUNTY OF San Luis Obispo } ss

On April 16, 1993

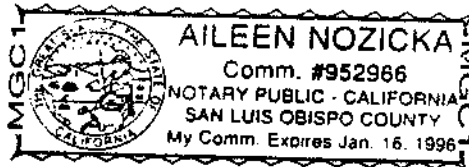
before me, the undersigned, a Notary Public in and for said State,
personally appeared Victor A. Buccola and Sally L. Buccola

personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s)
were subscribed to the within instrument and
acknowledged to me that ~~he~~ 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

Signature [Signature]

 **TICOR TITLE INSURANCE**



(This area for official notarial seal)

CAT. NO. NN01500
TO 2930 (12-90)

(General Acknowledgment)

STATE OF CALIFORNIA

COUNTY OF San Luis Obispo } ss

On April 16, 1993

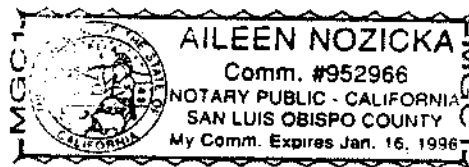
before me, the undersigned, a Notary Public in and for said State,
personally appeared Thelma M. Williams

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

Signature [Signature]

 **TICOR TITLE INSURANCE**



(This area for official notarial seal)

CAT. NO. NN01500
TO 2930 (12-90)

(General Acknowledgment)

STATE OF CALIFORNIA

COUNTY OF San Luis Obispo } ss

On April 19, 1993

before me, the undersigned, a Notary Public in and for said State,
personally appeared Merilee Peck Newdell

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

Signature [Signature]

 **TICOR TITLE INSURANCE**

(This area for official notarial seal)

STATE OF _____)
COUNTY OF _____)

On _____, 19____, before me, _____,
personally appeared _____,

_____ 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.

Signature _____
(SEAL)



PAMELA J. McCAMMON
NOTARY PUBLIC - STATE OF OHIO
MY COMMISSION EXPIRES JUNE 25, 1997

D:JURAT2.REL

EXHIBIT A

All that real property situate in the City of Arroyo Grande, County of San Luis Obispo, State of California described as follows:

Parcel B of Lot Line Adjustment No. A.G.
82-107 in the City of Arroyo Grande, County
of San Luis Obispo, State of California, as
shown and designated on the Map recorded on
May 28, 1982, in Book 32, Page
21 of Parcel Maps in the Office of the
County Recorder of said County.

EXHIBIT B

DESCRIPTION

PARCEL 1:

PARCELS A AND D OF MAP NO. AG-82-107, IN THE CITY OF ARROYO GRANDE, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, FILED MAY 28, 1982 IN BOOK 32, PAGE 21 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THE NON-EXCLUSIVE EASEMENTS, RIGHTS AND BENEFITS CREATED BY THAT CERTAIN DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS, DATED MARCH 4, 1981 AS DOCUMENT NO. 10222 IN BOOK 2310, PAGE 334 OF OFFICIAL RECORDS OF SAN LUIS OBISPO COUNTY, PERTAINING TO AND OVER PORTIONS OF THE REAL PROPERTY AS FOLLOWS:

PARCEL B OF MAP NO. AG-82-107, IN THE CITY OF ARROYO GRANDE, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, FILED MAY 28, 1982 IN BOOK 32, PAGE 21 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND PARCEL CC OF MAP NO. AG-81-007, IN THE CITY OF ARROYO GRANDE, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, FILED JUNE 17, 1981 IN BOOK 30, PAGE 63 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

(END OF DESCRIPTION)

EXHIBIT C

PARCELS A AND B OF PARCEL MAP AG-77-382, CITY OF ARROYO GRANDE, COUNTY OF SAN LUIS OBISPO, CALIFORNIA, PER MAP RECORDED FEBRUARY 28, 1978, IN BOOK 25, PAGE 15, OF PARCEL MAPS

Peck-Newdell

Project No. 92-476

SEWER EASEMENT

A 15 foot wide strip of land over and across a portion of Parcel B of Parcel Map No. AG82-107, in the City of Arroyo Grande, County of San Luis Obispo, California, according to the map thereof filed in Book 32 of Parcel Maps at Page 21, records of said County, the north line of said strip being described as follows:

Beginning at a point on the west line of said Parcel B, distant thereon $S5^{\circ}15'W$ 25.00 feet from the northwest corner thereof; thence, parallel with north line thereof, $S86^{\circ}45'E$ 311.75 feet, more or less, to the west line of Parcel D of Parcel Map No. AG82-107 according to the map thereof filed in Book 32 of Parcel Maps at Page 21, records of said County.

End Description

EXHIBIT D

Peck-Newdell

Project No. 92-476

SEWER EASEMENT

A 15 foot wide strip of land over and across a portion of Parcel D of Parcel Map No. AG82-107, in the City of Arroyo Grande, County of San Luis Obispo, California, according to the map thereof filed in Book 32 of Parcel Maps at Page 21, records of said County, the north line of said strip being described as follows:

Beginning at a point on the east line of said Parcel B of above said Parcel Map, distant thereof S5°15'W 25.00 feet from the northeast corner thereof; thence, parallel with north line thereof, S86°45'E 49.28 feet, more or less, to the west line of Parcel A of Parcel Map No. AG77-382, according to the map thereof filed in Book 25 of Parcel Maps at Page 15, records of said County.

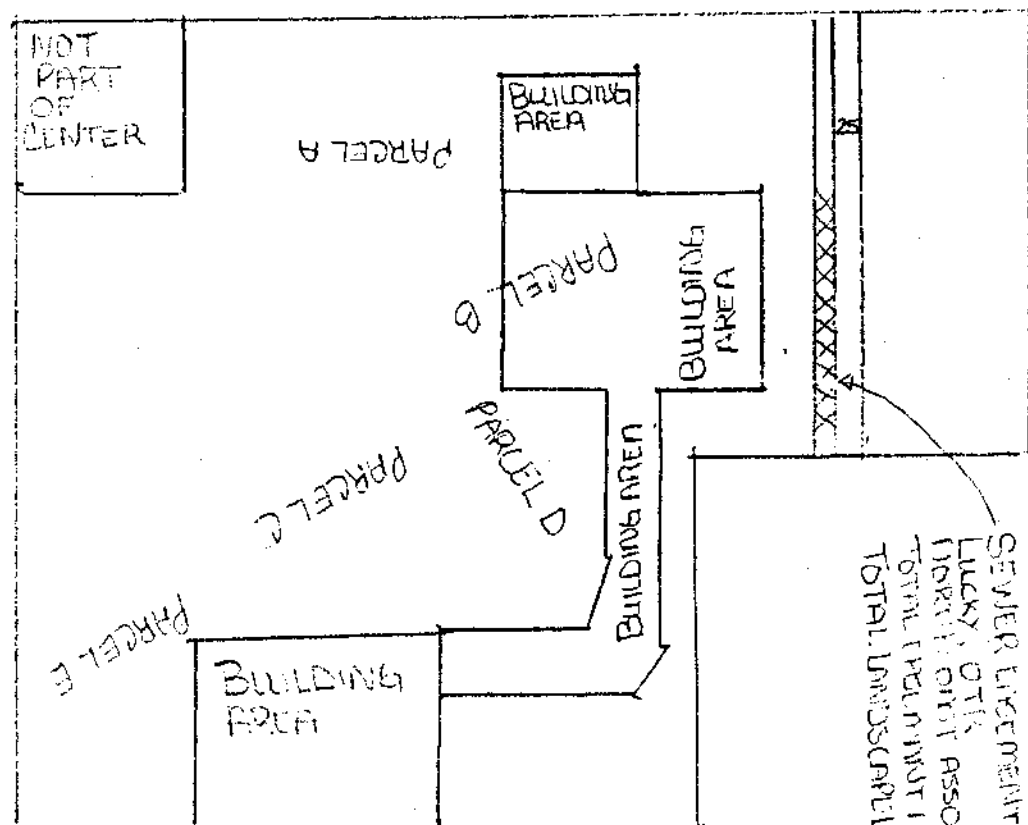
End Description

EXHIBIT E

GRAND AVENUE

COURTLAND STREET

BRIDGTON AVENUE



COMMON AREA IS ALL PORTIONS OF PARCELS A, B, C, D AND E NOT DESIGNATED ABOVE AS BUILDING AREAS

EXHIBIT F

[illegible]

~~25~~

Grattees's Property

EXHIBIT G

CONSENT

Lucky Stores, Inc., a Delaware corporation, doing business in California as Delaware Lucky Stores, Inc., successor in interest to Lucky Stores, Inc., a California corporation, as tenant under that certain lease dated May 13, 1982, a Recording Indenture of which was recorded on July 9, 1982, in Volume 2418 at Page 438, of the Official Records of San Luis Obispo County, California as Document No. 28193, which lease, affects that certain real property in the City of Arroyo Grande, County of San Luis Obispo, State of California, more particularly described in Exhibit A to the Grant of Easement and Easement Conditions and Covenants to which this Consent is attached (the "Grant of Easement"), hereby consents to all of the terms and provisions of the Grant of Easement and agrees that its interest in the real property described in Exhibit A to the Grant of Easement shall be and is subject to the Grant of Easement.

Dated: June 1, 1993

LUCKY STORES, INC.,
a Delaware corporation,
doing business in California
as Delaware Lucky Stores, Inc.,
successor in interest to Lucky
Stores, Inc., a California
corporation

Attest

By _____

(To Be Notarially Acknowledged)

L#31-263

Approved as to form

Approved as to form

By SNB
SNB

By JRS
JRS

STATE OF Utah
COUNTY OF Salt Lake

On June 1, 1993, before me, Carol A. Houghton,
personally appeared Jack Hunt Vice President

✓ 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.

Signature Carol A. Houghton
(SEAL)



Government Code 27361.7

I certify under the penalty of perjury that the notary seal on the document
to which this statement is attached reads as follows:

Name of Notary CAROL A HOUGHTON
Name of County SALT LAKE
Date Commission Expires AUGUST 21, 1997

Commission # _____
Signature of person (firm name
if any) making verification Anderson W. ...
Date 12/23/93
Location San Luis Obispo
(City)
State of California

D:JURAT2.REL

END OF DOCUMENT

RECORDING REQUESTED BY:
Title Insurance and Trust Company

WHEN RECORDED MAIL TO:

Ronald Olson
1092-B Grand Avenue
Arroyo Grande, Ca. 93420

DOC. NO. 10222
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CAL

MAR 10 1981

WILLIAM E. ZIMARIK
COUNTY RECORDER

TIME 8:00 AM

3/10/81 984 3

32.00 25
32.00 170

#132076

DECLARATION OF RESTRICTIONS
AND GRANT OF EASEMENTS

THIS DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS,
is made as of the 4th day of March, 1981, by
JOIE G. SCOLARI and ELDEEN W. SCOLARI, husband and wife, as com-
munity property, as to an undivided one-half (1/2) interest; WILLIAM
G. GERRISH and NANCY L. GERRISH, husband and wife as community
property, as to an undivided one-fourth (1/4) interest; and RONALD
R. OLSON and SHARON B. OLSON, husband and wife as community prop-
erty, as to an undivided one-fourth (1/4) interest, hereinafter
collectively referred to as "Declarant." This instrument is, for
convenience, hereinafter referred to as a "Declaration."

P R E L I M I N A R Y :

1. Declarant is the owner of certain real property
situate in the City of Arroyo Grande, County of San Luis Obispo,
State of California, described in Exhibit A, attached hereto and
incorporated herein by reference. Said property described in
Exhibit A is divided into five (5) parcels which parcels are some-
times hereinafter referred to individually as Parcel A, Parcel B,
Parcel C, Parcel D and Parcel E. Said real property described in
Exhibit A is hereinafter referred to as the "Shopping Center." A
plot plan of the Shopping Center is attached hereto as Exhibit B
and incorporated herein by reference.

2. Declarant plans to develop and plan for the de-
velopment of the Shopping Center as an integrated retail sales
area for the mutual benefit of all real property in the Shopping
Center, and for such purposes does hereby fix and establish ease-
ments, covenants, restrictions, liens and charges (hereinafter
collectively referred to as "Restrictions"), upon and subject to
which all of said Shopping Center, or any part thereof shall be

improved, hold, leased, sold and/or conveyed. Such Restrictions shall run with the land and inure and pass with said property and shall apply to, bind and benefit the respective successors in interest thereof, and all and each thereof is imposed upon said property as a mutual equitable servitude in favor of said property and any portion thereof.

DEVELOPMENT

1. For the purposes of this Declaration all of the area within the Shopping Center to be used in common shall be referred to as "Common Area," and said Common Area effectively includes all areas within the Shopping Center other than "Building Areas" and the storm drain retention basin at the location shown on Exhibit B hereto; said Common Area is clearly delineated on the plot plan which is Exhibit B hereto; and said Common Area shall be developed substantially as shown on said Exhibit B. In the event the storm drain retention basin is converted to Common Area pursuant to Paragraph 5 of this Section, upon such conversion the term "Common Area," as used herein, shall be deemed to include the portion of the Shopping Center so converted.

2. (a) No building or structure of any kind shall be erected on any portion of the Shopping Center except upon those portions designated "Building Area" on Exhibit B hereto; provided that there may be constructed and maintained upon or over said Common Area a canopy or canopies projecting from such Building Area; normal foundations and doors for ingress and egress may project from such Building Area; and signs may be erected upon said canopy or canopies, so long as said signs do not obstruct the signs of any other owner, or owner's tenant of the Shopping Center. No signs other than the signs provided for hereinabove,

directional signs for guidance upon the parking and driveway area, and signs (including pylon sign towers) at the locations shown on Exhibit B hereto, shall be erected or maintained upon the Common Area or Building Area of the Shopping Center, except such as obtain the written approval of one hundred percent (100%) of the owners of the Shopping Center and the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located in Parcel C of the Shopping Center.

(b) No building or structure erected on the Shopping Center shall exceed one (1) story in height, plus mezzanine, nor shall any such building or structure exceed thirty (30) feet in height.

3. In the development and use of the Shopping Center there shall not be established or maintained any building, structure or area for the transaction of business, whether for retail sales or other purposes, for which there shall not be established and maintained a Common Area containing approximately three (3) square feet of parking, driveway and sidewalk area for each one (1) square foot of floor area of all buildings, structures or areas to be used for commercial purposes in the Shopping Center, provided that in the event the plot plan which is Exhibit B hereto provides for parking, driveway and sidewalk facilities in a ratio other than a ratio of three (3) square feet of parking, driveway and sidewalk area for each one (1) square foot occupied by buildings, then, in that event, such plot plan shall prevail notwithstanding the above provision concerning such ratio.

4. All buildings constructed in the Shopping Center shall either be equipped with such automatic sprinkler systems as meet all of the standards of the Fire Insurance Rating Authority

(or other similar organization having jurisdiction) or shall be constructed in such a manner so that the buildings in the Building Areas located on Parcels B and C of the Shopping Center may each be fire rated as a separate and distinct unit from any other building built in the Shopping Center, without deficiency charge because of the existence of adjacent or exposing structures.

5. As part of the development of the Shopping Center, the City of Arroyo Grande (the "City") has required that a storm drain retention basin (the "Basin") be constructed and maintained in the Shopping Center at the location shown on Exhibit B hereto. In the event, at any time during the term of this Declaration, the City no longer requires the Basin to be maintained, the "Manager" (as hereinafter defined) shall convert or cause the conversion of said Basin to Common Area. As part of said conversion, the Basin shall be filled to the same level, grade and degree of compaction as the surrounding surfaces, and shall be covered with the same type of surfacing material originally installed in the balance of the Common Area. The portion of the Common Area thereby added to the Shopping Center shall be used for the parking of automobiles and shall be striped in a configuration consistent with the parking areas adjacent thereto. The work required to convert the Basin to Common Area, as hereinabove described, is hereinafter referred to as the "Conversion Work." Upon completion of the Conversion Work the Manager shall send to each and every other owner of any portion of the Shopping Center copies of bills reflecting the total costs and expenses of such work and evidence of the payment thereof by the Manager. Within thirty (30) days after receipt of such bills and

such evidence of payment, each and every other owner shall pay to the Manager the percentages of the total costs and expenses of the Conversion Work that are set forth in Paragraph 4 of the Section hereof entitled "OPERATION AND MAINTENANCE OF COMMON AREA." If at the time the "Conversion Work" is required by this provision, no person is obligated to maintain the Common Area (i.e., there is no "Manager"), the owner of Parcel A shall perform the obligations imposed on the Manager by this Paragraph 5.

SHOPPING CENTER EASEMENTS

1. Declarant does hereby establish in favor of and grant to the owners and occupants of the Shopping Center, their customers and invitees, nonexclusive easements for the ingress and egress and for the passage and parking of motor vehicles into, out of, on, over and across all parking areas, driveways and service areas from time to time established within the Shopping Center as provided in Exhibit B so that the Shopping Center may be used as an integrated area by the owners and occupants thereof and their customers and invitees.

2. Declarant does hereby establish in favor of and grant to the owners and occupants of the Shopping Center, their customers and invitees, nonexclusive easements for the ingress and egress and passage of pedestrians into, out of, on, over and across the Common Area from time to time established within the Shopping Center as provided in Exhibit B so that the Shopping Center may be used as an integrated area by the owners and occupants thereof and their customers and invitees.

3. Declarant does hereby establish in favor of and grant to the owners of any portion of the Shopping Center non-exclusive easements under, through and across the Common Area of the Shopping Center for water drainage systems or structures,

water mains, sewers, water sprinkler system lines, telephones or electrical conduits or systems, gas mains and other public utilities and service easements. All such systems, structures, mains, sewers, conduits, lines and other public utilities instrumentalities shall be installed and maintained below the ground level or surface of such easements, except where the instrumentality of the particular utility involved is not amenable to being placed underground (such as, but not limited to, transformers and risers).

4. Should any building constructed within the Shopping Center inadvertently encroach on any Parcel adjacent to said building, which encroachment does not exceed two (2) feet, the owner of the adjacent parcel shall be deemed to have granted a perpetual easement for such encroachment to the owner of the encroaching building.

OPERATION AND MAINTENANCE
OF COMMON AREA

1. Areas to be used for motor vehicle parking purposes by employees of occupants of the Shopping Center may be designated within the Shopping Center from time to time by one hundred percent (100%) of the owners of the Shopping Center and the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center; provided, however, that in no event shall the areas so designated include that portion of the Common Area shown as cross-hatched on Exhibit B hereto. No owner employee of any owner, lessee or other occupant of any part of the Shopping Center shall use any portion of the Common Area located on the Shopping Center for motor vehicle parking purposes except such area or areas as may be designated in writing for such purposes as provided for herein.

2. All owners of any portion of the Shopping Center

shall pay prior to delinquency all taxes and assessments on the Common Area and Building Area owned by them. If any such owner shall fail to pay said taxes and assessments when due, any other owner, may pay said taxes and assessments and the curing owner or tenant may then bill the defaulting owner for the expense incurred. If the defaulting owner shall not pay said bill within fifteen (15) days, the curing owner or tenant shall have a lien on the property of the defaulting owner for the amount of said bill, which amount shall bear interest at the rate of ten percent (10%) per annum until paid.

3. The owner of Parcel D its successors, transferees and assigns (hereinafter referred to as the "Manager") shall operate and maintain, or cause to be operated and maintained, the "Basin" as herein defined, and the Common Area located within the Shopping Center and shall keep the same, or cause the same to be kept, in good condition and repair. As part of said operation, the Manager shall cause the Common Area to be adequately lighted and shall maintain the surface areas thereof in a level and smooth condition, evenly covered with the type of surfacing material originally installed thereon, or shall cause the same thus to be maintained. The Manager shall obtain and maintain general public liability insurance insuring the Manager and all persons who now or hereafter own or hold portions of the Shopping Center or any leasehold estate or other interest therein as their respective interests may appear, provided that the Manager is notified in writing of such interest, against claims for personal injury, death or property damage occurring in, upon, or about the Basin and the Common Area located on the Shopping Center. Such insurance shall be written with an insurer licensed to do business in the State of California. The limits of liability of all such insurance shall be at least \$300,000 for injury to or death of any one person, \$500,000 for injury to or death of more than one person in

one occurrence, and \$100,000 with respect to damage to property. The Manager shall cause to be issued certificates of insurance to each of the other fee owners of the Shopping Center, and to the tenant of the Building Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center, which certificates shall provide that such insurance shall not be cancelled or amended without ten (10) days prior written notice to each of such parties.

4. The Manager shall expend only the monies reasonably necessary for such operation and maintenance in order to keep the Basin and Common Area in good repair and clean condition and to operate the same on a nonprofit basis to the end that the expense in connection therewith shall be kept to a minimum. The Manager shall, from time to time, but not more often than monthly send to each and every owner of any portion of the Common Area a written statement of the total cost and expenses of operation and maintenance of the Basin and Common Area for the period of the preceding month or longer period. The Manager may include in such statement the amount of the public liability insurance premium respecting the Basin and Common Area of the Shopping Center prior to the Manager's payment thereof, provided that the amount of such premium shall not be included in any such statement sent more than sixty (60) days prior to the premium due date. The Manager may also include in such statement a management fee not to exceed ten percent (10%) of the costs and expenses of the operation and maintenance of the Basin and Common Area; provided that in the calculation of said management fee, there shall not be included in such costs and expenses, personal property taxes, real property taxes and assessments, insurance premiums, depreciation, capital expenditures which exceed Two Thousand Dollars (\$2,000.00) in the

aggregate in any one year, or any management fee or other fee paid by the Manager to a third party to perform all or a portion of the Manager's obligations hereunder in connection with said Basins and Common Area. Within thirty (30) days after receipt of such statement, each and every such owner shall pay to the Manager the fractions of the total amount of said costs and expenses hereinafter described. Each owner, or its authorized representative, shall have the right to examine the records of expenses in connection therewith at reasonable business hours and without unreasonable frequency.

The percentage shares of such costs and expense are as follows:

Parcel A	15.70%
Parcel B	31.37%
Parcel C	31.03%
Parcel D	17.59%
Parcel E	4.31%
TOTAL	100.00%

If all or any portion of such fractions of said total is not so paid, the same shall be deemed delinquent, and the amount thereof shall bear interest thereafter at the rate of ten percent (10%) per annum until paid, and the Manager shall have a lien on the property of the defaulting owner for said unpaid amount and interest.

If the Manager shall fail to so maintain the Common Area or to provide such insurance, then any other owner, or the tenant of the Building Area located on Parcel B of the Shopping Center and/or the tenant of the Building Area located on Parcel C of the Shopping Center, may do so, and the curing owner or tenant may then bill the Manager for the expense incurred. If the Manager shall not pay said bill within fifteen (15) days, the curing owner or tenant(s) shall have a lien on the property of the Manager for

the amount of said bill, which amount shall bear interest at the rate of ten percent (10%) per annum until paid.

5. Should the owner and/or tenant of either or both of Parcel B and/or C, desire to assume the duties, obligations, rights and remedies of the Manager pursuant to the preceding provisions of this provision concerning maintenance, said owner(s) and/or tenant(s) shall have the right to do so by serving a formal written sixty (60) day notice to that effect on the Manager, the owners of all of the parcels other than the Manager, and the tenants of both Parcels B and C of the Shopping Center. The notice provided for above shall be accompanied by the written undertaking of the Manager's successor or successors, duly executed and acknowledged by such successor, or successors, that it or they, shall faithfully and fully observe, perform and discharge each and every duty and obligation of Manager hereunder in the place and stead of the Manager for a specified period (which period shall in no event be for less than three (3) years, and which shall be described by calendar dates) and said successor, or successors, may utilize a nominee to perform such duties and obligations without relieving it, or them, however, of any of such duties and obligations. The party or parties taking over the duties of the Manager shall promptly cause an executed and acknowledged counterpart of such written undertaking to be duly recorded in the Office of the County Recorder of San Luis Obispo County. The Manager hereby grants to said successor, or successors, during said period, all rights that the Manager shall possess hereunder including, but without limiting the foregoing, the right, in the place and stead of the Manager to issue the statements above contemplated, to collect, hold, receive, and disburse receipts on account thereof, and to

have the full benefit of any liens above contemplated which may arise by reason of any nonpayment on account thereof.

6. During any period of time when no person is obligated to maintain the Common Area located within the Shopping Center, the owner of each Parcel shall have the obligation to maintain its own Parcel.

RESTRICTIONS ON USE

1. (a) No portion of the Shopping Center other than the building on Parcel B of the Shopping Center shall be occupied or used, directly or indirectly, for the purposes of a general food market or a grocery store, meat market, fish market, fruit store, vegetable store, delicatessen, or any combination thereof; provided that the foregoing shall not prohibit the operation of one (1) delicatessen in the Shopping Center offering food items (which, for purposes hereof, shall not include raw fresh fish, meat or poultry), prepared and/or packaged on the premises for on- or off-premises consumption and containing not more than two thousand (2,000) square feet of storage and selling space and not more than fifty (50) lineal feet of individual shelf space allocated to items sold in a general market or grocery store; and provided further that the foregoing shall not prohibit the operation in the building on Parcel C of the Shopping Center of a typical Pay Less Super Drug Store operation similar to the type of operation conducted in California by Pay Less Drug Stores Northwest, Inc. a Maryland corporation, in other super drug stores, so long as no fresh or frozen meat, fresh or frozen fish, fresh or frozen vegetables, or fresh or frozen fruits are sold. For purposes of this paragraph, "items sold in a general market or grocery store" shall not include liquor, beer, wine or any other alcoholic beverages.

(b) The foregoing restriction shall continue only so long as the Building Area on Parcel B of the Shopping Center or some part thereof shall continue to be used for a general food market or grocery store and for a period of two (2) years thereafter.

(c) The failure to use the Building Area on Parcel B of the Shopping Center, or some part thereof, for a general food market or grocery store, which results from strikes, lock-outs, riot, insurrection, act of God or governmental regulations or orders or which occurs during any period in which a building or buildings are being built, rebuilt, repaired or remodeled upon said Building Area, or some part thereof, shall not cause the foregoing restriction to terminate; provided that if such building, rebuilding, repair, or remodeling shall result in the failure to use said Building Area, or some part thereof, for a general food market or grocery store for a period in excess of two (2) years, the foregoing restriction shall terminate at the end of such two (2) year period. Any such two (2) year period shall be extended by the period of any and each occurrence of any strikes, labor difficulties, governmental restrictions upon building activity, or delays caused by or resulting from fire, casualty, war or acts of God.

2. (a) No portion of the Shopping Center other than the building on Parcel C of the Shopping Center shall be occupied or used, directly or indirectly, for the purpose of the sale of items the sale of which requires the presence of a licensed pharmacist.

(b) The foregoing restriction shall continue only so long as the Building Area on Parcel C of the Shopping Center,

or some part thereof, shall continue to be used for the sale of items the sale of which requires the presence of a licensed pharmacist and for a period of two (2) years thereafter.

(c) The failure to use the Building Area on Parcel C of the Shopping Center, or some part thereof, for the sale of items the sale of which requires the presence of a licensed pharmacist which results from strikes, lockouts, riot, insurrection, act of God or governmental regulations or orders or which occurs during any period in which a building or buildings are being built, rebuilt, repaired or remodeled upon said Building Area, or some part thereof, shall not cause the foregoing restriction to terminate; provided that if such building, rebuilding, repair or remodeling shall result in the failure to use said Building Area, or some part thereof, for the sale of items the sale of which requires the presence of a licensed pharmacist for a period in excess of two (2) years, the foregoing restriction shall terminate at the end of such two (2) year period. Any such two (2) year period shall be extended by the period of any and each occurrence of any strikes, labor difficulties, governmental restrictions upon building activity, or delays caused by or resulting from fire, casualty, war, or acts of God.

3. No portion of the Shopping Center shall be occupied or used, directly or indirectly, for the sale or offering for sale of alcoholic beverages for on-sale or off-sale consumption, provided, however, that this restriction shall not prohibit the operation of an alcoholic beverage department for off-sale consumption only as a part of the operations conducted in the Building Areas located on Parcel B and/or Parcel C of the Shopping Center; and provided further that this restriction shall not

prohibit the operation of one (1) restaurant containing not more than four thousand (4,000) square feet of floor area and offering alcoholic beverages for on-premise consumption only, provided that no portion of the restaurant premises is located within one hundred (100) feet of any portion of the Building Area on Parcel B of the Shopping Center.

4. No portion of the Shopping Center shall be occupied or used, directly or indirectly, for the purposes of an office building, entertainment or recreational facility or a training or educational facility; provided, however, that this restriction shall not prohibit the operation of one (1) real estate office and/or one (1) insurance office, each occupying not more than twenty (20) lineal front feet of Building Area; the operation of a post office so long as no postal delivery trucks are parked in any portion of the Common Area overnight; nor shall it prohibit the operation of a savings and loan association in the Building Area on Parcel E of the Shopping Center. As used herein, "entertainment or recreational facility" includes, but is not limited to, a bowling alley, skating rink, theater, billiard room, game parlor, health spa or studio, massage parlor, bar or tavern, or gymnasium or other place of public amusement; and "training or educational facility" includes, but is not limited to, a beauty school, barber college, reading room, place of instruction, or any other operation catering primarily to students or trainees rather than to customers, it being the intent of this provision that the parking and other common facilities should not be burdened by either large scale or protracted use by customers or occupants of the Shopping Center.

GENERAL PROVISIONS

1. COVENANTS RUN WITH THE LAND. Each easement, restriction and covenant contained herein shall be appurtenant to

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3/4/81

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and for the benefit of all portions of the Shopping Center and shall be a burden thereon for the benefit of all portions of the Shopping Center, and shall run with the land.

This Declaration and the restrictions, easements, covenants, benefits and obligations created hereby shall inure to the benefit of and be binding upon Declarant and Declarant's heirs, personal representatives, successors, transferees and assigns; provided, however, that if any owner sells any portion or all of its interest in the Shopping Center and obtains from the purchaser thereof an agreement by which the purchaser assumes and agrees to be bound by the covenants and agreements herein contained, the vendor shall thereupon be released and discharged from any and all further obligations under this Declaration as such owner in connection with the property sold by it.

2. DURATION. Except as otherwise provided herein, each easement shall be in perpetuity and each other covenant, setback line, restriction and undertaking of this document shall be for the term of sixty-five (65) years from the date hereof.

3. INJUNCTIVE RELIEF. In the event of any violation or threatened violation by any owner, lessee, or occupant of any portion of the Shopping Center of any of the terms, covenants, restrictions and conditions contained herein, in addition to the other remedies herein provided, any or all of the owners and tenants of the property included within the Shopping Center shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction.

4. MODIFICATION PROVISION. This Declaration may not be modified in any respect whatsoever, or rescinded, in whole or in part, except with the consent of one hundred percent (100%) of the owners of the Shopping Center, plus the tenant of the Build-

ing Area located on Parcel B of the Shopping Center and the tenant of the Building Area located on Parcel C of the Shopping Center at the time of such modification or rescission, and then only by a written instrument duly executed and acknowledged by the requisite owners and tenants, duly recorded in the Office of the Recorder of San Luis Obispo County.

5. NOT A PUBLIC DEDICATION. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Shopping Center to the general public or for the general public or for any public purposes whatsoever, it being the intention of Declarant that this Declaration shall be strictly limited to and for the purposes herein expressed.

6. BREACH SHALL NOT PERMIT TERMINATION. No breach of this Declaration shall entitle any owner to cancel, rescind or otherwise terminate this Declaration, but such limitation shall not affect in any manner any other rights or remedies which such owner, or any tenant, may have hereunder by reason of any breach of this Declaration. Any breach of any of said covenants or restrictions, however, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value, but such covenants or restrictions shall be binding upon and effective against such owner of any of said property or any portion thereof whose title thereto is acquired by foreclosure, trustee sale or otherwise.

7. SEVERABILITY. If any clause, sentence or other portion of this Declaration shall become illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remaining portions thereof shall remain in full force and effect.

8. SUBSEQUENT CONVEYANCES. All conveyances of all or

any portion of the Shopping Center subsequent to the date hereof shall recite that they are subject and subordinate to the terms and provisions hereof.

9. ENFORCEMENT OF LIEN. T' liens provided for in "Operation and Maintenance of Common Area" hereinabove may be filed for record by the party entitled thereto as a claim of lien against the defaulting owner in the Office of the County Recorder of San Luis Obispo County, signed and verified, which shall contain at least:

(a) A statement of the unpaid amount of costs and expenses;

(b) A description sufficient for identification of that portion of the property of the defaulting owner which is the subject of the lien; and

(c) The name of the owner or reputed owner of the property which is the subject of the alleged lien.

Such lien, when so established against the real property described in said lien, shall be prior and superior to any right, title, interest, lien or claim which may be or has been acquired or attached to such real property after the time of filing of such lien. Such lien shall be for the use and benefit of the person filing same, and may be enforced and foreclosed in a suit or action brought in any court of competent jurisdiction.

10. OWNERSHIP OF SHOPPING CENTER. The ownership of the entire Shopping Center by the same party shall not effect the termination of this Declaration.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration as of the day and year first hereinabove set forth.

JOIE G. SCOLARI

ELDEN W. SCOLARI

WILLIAM G. GERRISH

"Declarant"

NANCY L. GERRISH

RONALD R. OLSON

SHARON B. OLSON

"Declarant"

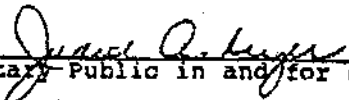
(To be Notarially Acknowledged)

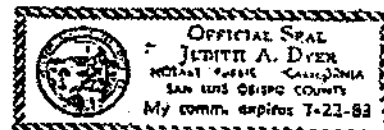
STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.

On February 26, 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOIE G. SCOLARI, ELDEEN W. SCOLARI, RONALD R. OLSON, SHARON B. OLSON, WILLIAM G. GERRISH and NANCY L. GERRISH, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Judith A. Dyer


Notary Public in and for said State



(SEAL)

VOL 2310 PAGE 351

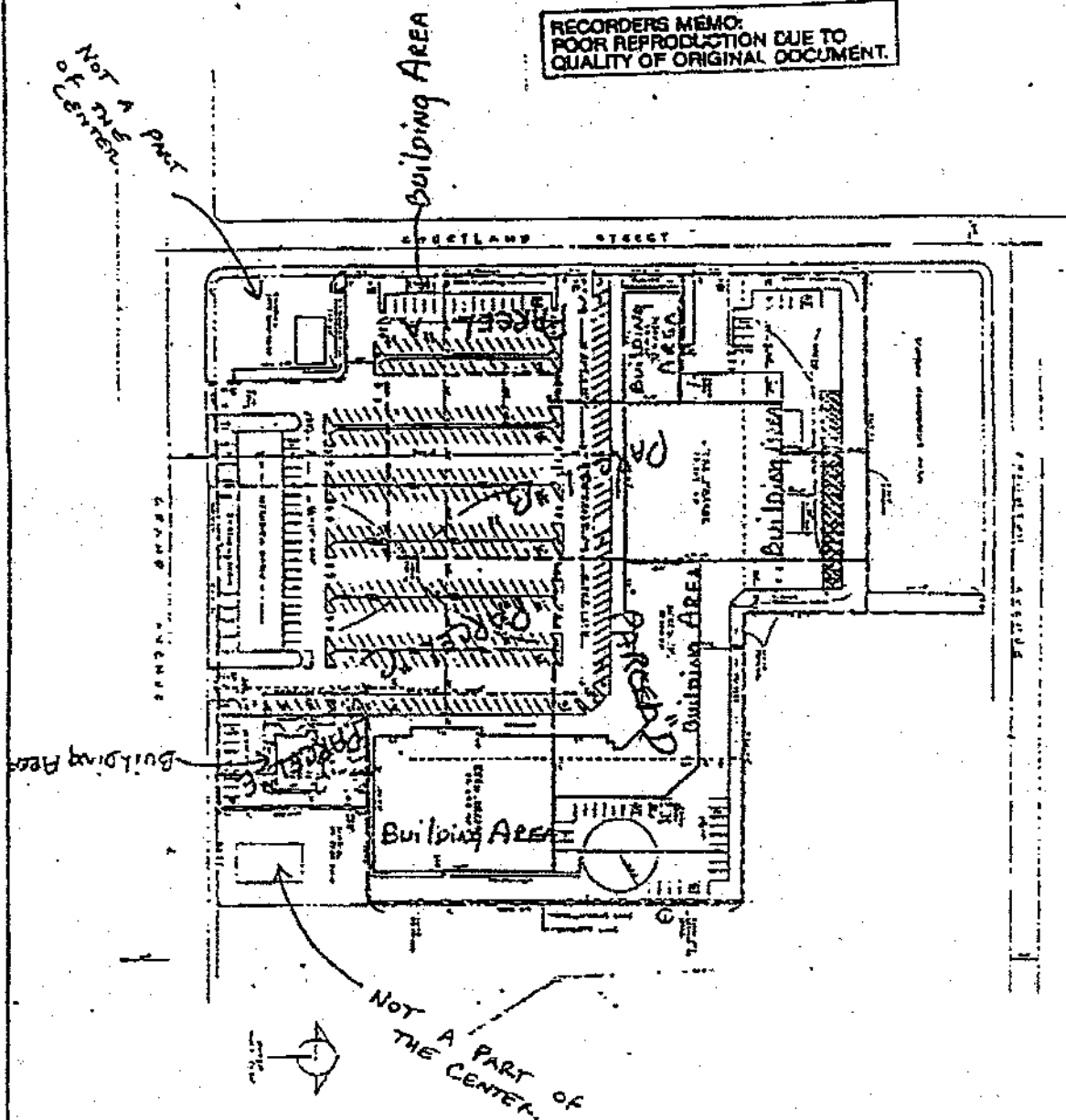
Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44
in the City of Arroyo Grande, County of San Luis Obispo, State
of California, as shown and designated on the Map recorded on
December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office
of the County Recorder of said County.

EXHIBIT A

VOL 2310 PAGE 352

Handwritten signature and circular stamp with initials and date 12/18/80

RECORDERS MEMO:
POOR REPRODUCTION DUE TO
QUALITY OF ORIGINAL DOCUMENT.



-----Parcel Lines

Common Area is all Portions of Parcels A, B, C, D, and E not designated above as building areas

☒ Designated no employee parking area.

EXHIBIT "B"

VOL 2310 PAGE 353

Handwritten signature and date: 5/10/02

CONSENT AND SUBORDINATION

FIDELITY SAVINGS AND LOAN ASSOCIATION, a California
Corporation, tenant of a portion of that certain real property
 described in Exhibit A to the Declaration of Restrictions and
 Grant of Easements to which this Consent and Subordination is at-
 tached (the "Declaration"), pursuant to that certain unrecorded
 ground lease dated JANUARY 30, 1981 (the "Lease"),
 hereby consents to all of the terms and provisions of the Declara-
 tion and agrees that its interest in the real property described
 in Exhibit A to the Declaration, pursuant to the Lease or other-
 wise, is and henceforth shall be subject and subordinate to all
 of the terms and provisions of the Declaration.

Dated: March 5, 1981.

FIDELITY SAVINGS AND LOAN ASSOCIATION,
 a CALIFORNIA CORPORATION
 By William Rockloff
 Vice President

(To Be Notarially Acknowledged)

(Corporation)

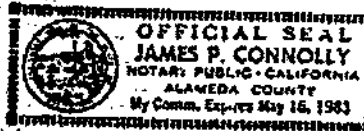
STATE OF CALIFORNIA
 COUNTY OF Alameda

On March 5, 1981 before me, the undersigned, a Notary Public in and for said
 State, personally appeared William Rockloff
 known to me to be the Vice President, and
 known to me to be James P. Connolly Secretary of the corporation that executed the within instrument,
 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

James P. Connolly
 Name (Typed or Printed)

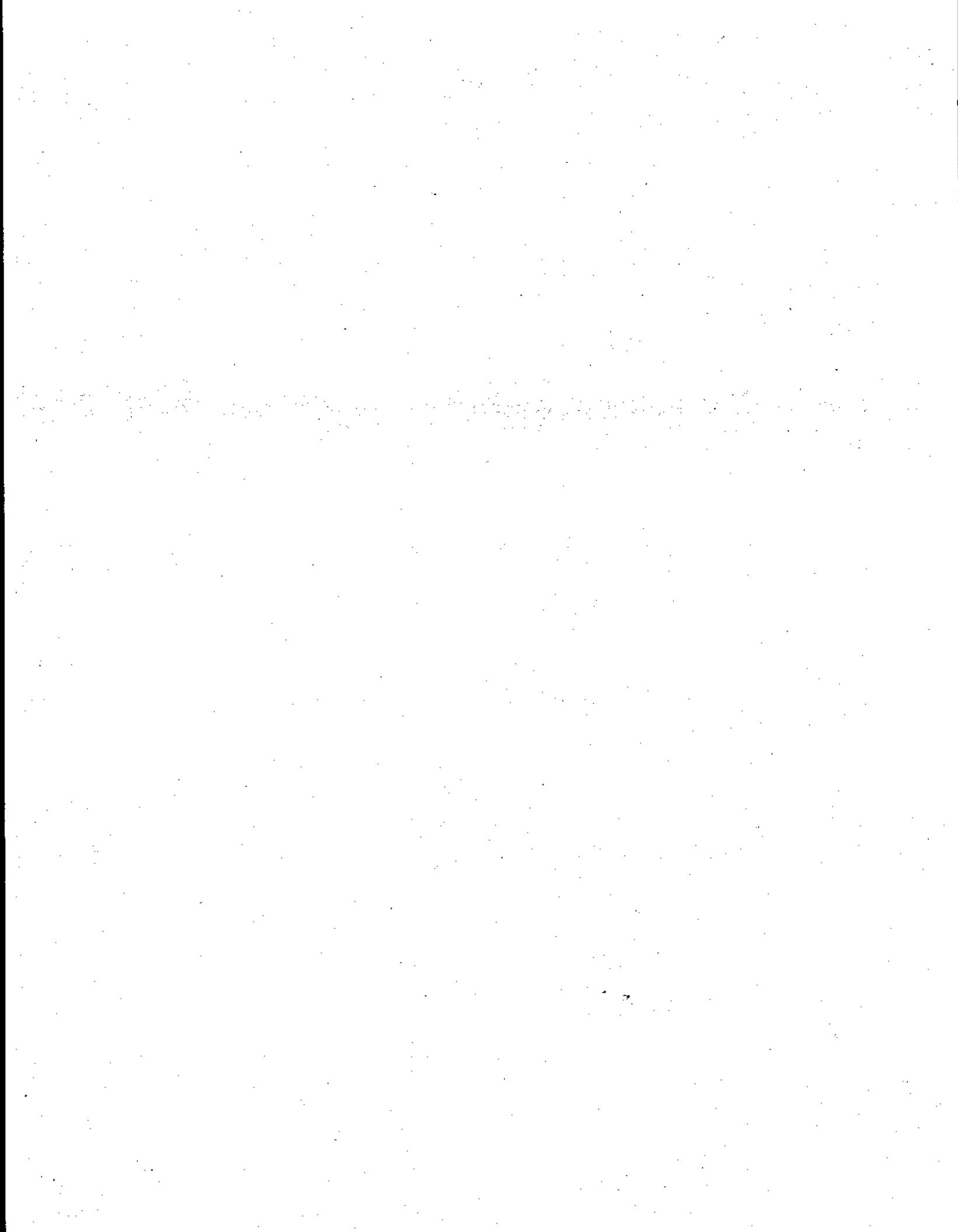


(This area for official stamp(s) used)

2/9/81

END OF DOCUMENT

VOL 2310 PAGE 354



Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44
in the City of Arroyo Grande, County of San Luis Obispo, State
of California, as shown and designated on the Map recorded on
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of the County Recorder of said County.

EXHIBIT A

Vol. 2310 Page 352



CONSENT AND SUBORDINATION

FIDELITY SAVINGS AND LOAN ASSOCIATION, a California
Corporation, tenant of a portion of that certain real property
described in Exhibit A to the Declaration of Restrictions and
Grant of Easements to which this Consent and Subordination is at-
tached (the "Declaration"), pursuant to that certain unrecorded
ground lease dated JANUARY 30, 1981 (the "Lease"),
hereby consents to all of the terms and provisions of the Declara-
tion and agrees that its interest in the real property described
in Exhibit A to the Declaration, pursuant to the Lease or other-
wise, is and henceforth shall be subject and subordinate to all
of the terms and provisions of the Declaration.

Dated: March 5, 1981.

FIDELITY SAVINGS AND LOAN ASSOCIATION,
a CALIFORNIA CORPORATION

By William Ruckloff

By Vice President

(To Be Notarially Acknowledged)

(Corporation)

STATE OF CALIFORNIA
COUNTY OF Alameda

On March 5, 1981 before me, the undersigned, a Henry Public In and for said
State, personally appeared William Ruckloff
known to me to be the Vice President President, and
known to me to be James P. Connolly Secretary of the corporation that executed the within instrument.
I have 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 bylaws or a resolution of its board
of directors.

WITNESS my hand and official seal.

Signature

James P. Connolly
Name (Typed or Printed)



2/9/81

END OF DOCUMENT

via 2310-12354

DEEDS REQUESTED BY
Crescent Title Guaranty Co.

AND THESE DEEDS BE MADE TO

Mr. Siegfried C. Baden
4034 Blossom Avenue
Calver City, California 90230

REC. NO. 210065
CITY OF SAN LUIS OBISPO
SAN LUIS OBISPO CO. CALIF.
WILLIAM E. ZIFFERLIN
COUNTY CLERK
JUN 27 1972

1:55 PM

30
AKC

SPACE ABOVE THIS LINE FOR RECORDERS USE

THIS STATEMENT TO BE SET UP ABOVE

DATE 6/25/72

WITNESSES

Quitclaim Deed

THIS DEED IS SUBJECT TO THE PROVISIONS OF THE TRANSFER ACT

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

LOVETT-WOOD DEVELOPMENT ENTERPRISE, INC.

hereby RELEASES, RELEASES AND FOREVER QUITCLAIMS

to

SIEGFRIED/BADEN and MYRTLE BROADBROOKS BADEN, Husband and Wife as Joint Tenants

the following described real property in the City of Arroyo Grande County of San Luis Obispo State of California:

An easement for ingress and egress over the following described property:

Those portions of Block 52, 85 and of 21st Street and Reasona and Brighton Avenues of the Town of Grover, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to the map recorded November 23, 1972 in Book A, Page 6 of Maps, AND THAT PORTION OF LOT 18 OF THE POLSON TRACT, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to the map recorded September 26, 1971 in Book B, Page 15 of Maps, described as follows:

Beginning at the Southeast corner of Tract No. 136; thence South 1° 15' West, 126 feet; thence North 84° 45' East, 16 feet; thence North 3° 15' East 275.45 feet, to the Southern line of Brighton Avenue; thence South 6° 45' West, along the Southern line of Brighton Avenue, 16 feet to the easterly line of Tract No. 136; thence South 3° 15' West along the easterly line of Tract No. 136 to the point of beginning.

LOVETT-WOOD DEVELOPMENTS, INC.

Dated June 25, 1972

STATE OF CALIFORNIA
COUNTY OF _____

I, _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____

_____ known to me to be the person whose name is subscribed to the within instrument and acknowledged that _____ executed the same.

Signature _____

Name (Typed or Printed)

If executed by a Corporation the Corporation Form of Acknowledgment must be used.

Title Order No. _____

Factor or Loan No. _____

THIS DEED IS SUBJECT TO THE PROVISIONS OF THE TRANSFER ACT

1675 349

STATE OF CALIFORNIA
COUNTY OF San Luis Obispo

On June 26, 1972 before me,
the undersigned, a Notary Public in and for said County and State,
personally appeared Lee R. Lovell

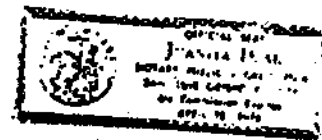
known to me to be the President, and
Addison B. Wood known to me to be

Secretary of the corporation that executed the
within instrument, and acknowledged to me that such corporation
executed the within instrument pursuant to its by-laws or a resolu-
tion of its board of directors.

Signature James L. Deal
Name James L. Deal
Known to me to be President

Notary Public in and for said County and State

END OF DOCUMENT

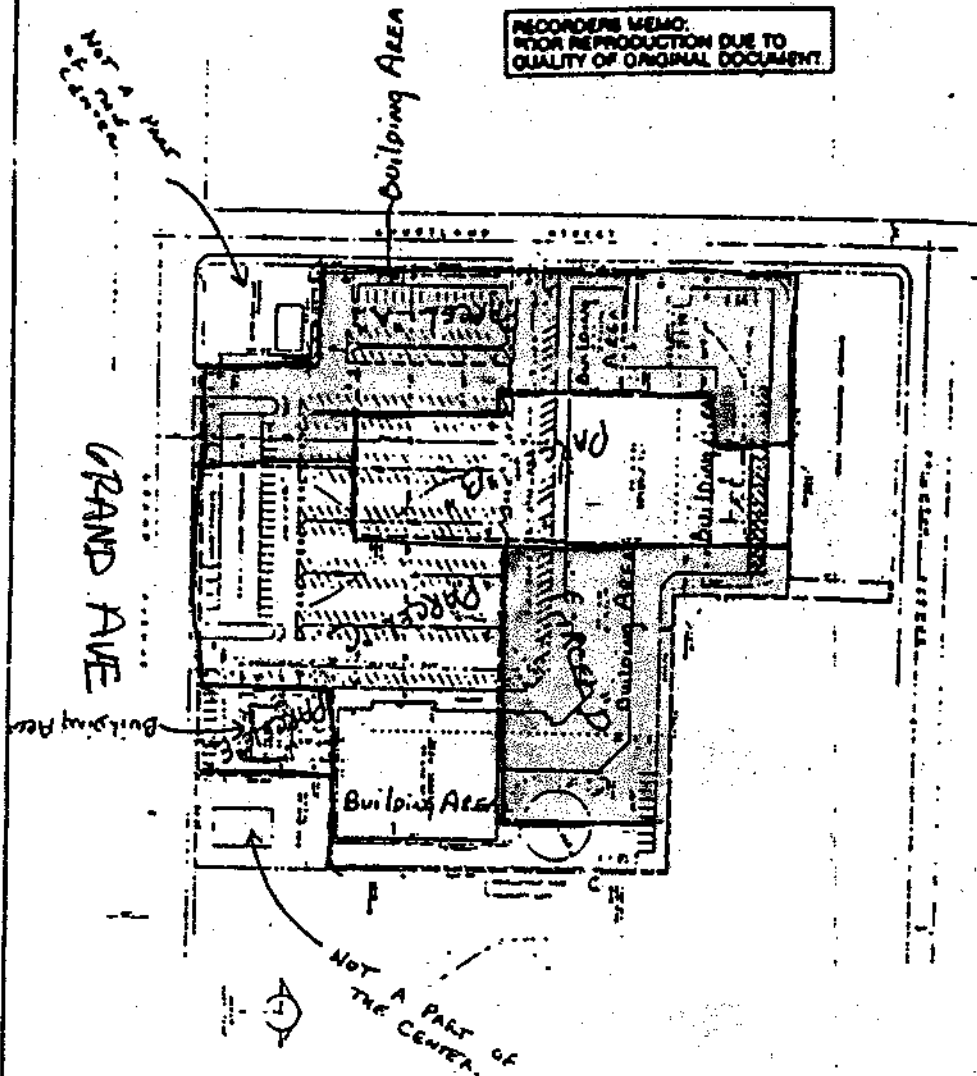


1675 350

FOR NOTARY SEAL OR STAMP

20265

RECORDED MEMO.
 NOT REPRODUCTION DUE TO
 QUALITY OF ORIGINAL DOCUMENT.



-----Part ... Lines

Common Area is all portions of parcels A, B, C, D, and E not designated above as building areas.

☐ Designated no employee parking area.

EXHIBIT "B"

va 2310-2353



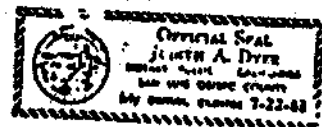
STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.

On February 24, 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOIE G. SCOLARI, ELZEEN W. SCOLARI, RONALD R. OLSON, SHARON S. OLSON, WILLIAM G. GERRISH and NANCY L. GERRISH, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Judith A. Dyer

Judith A. Dyer
Notary Public in and for said State



(SEAL)

EX-2310

1

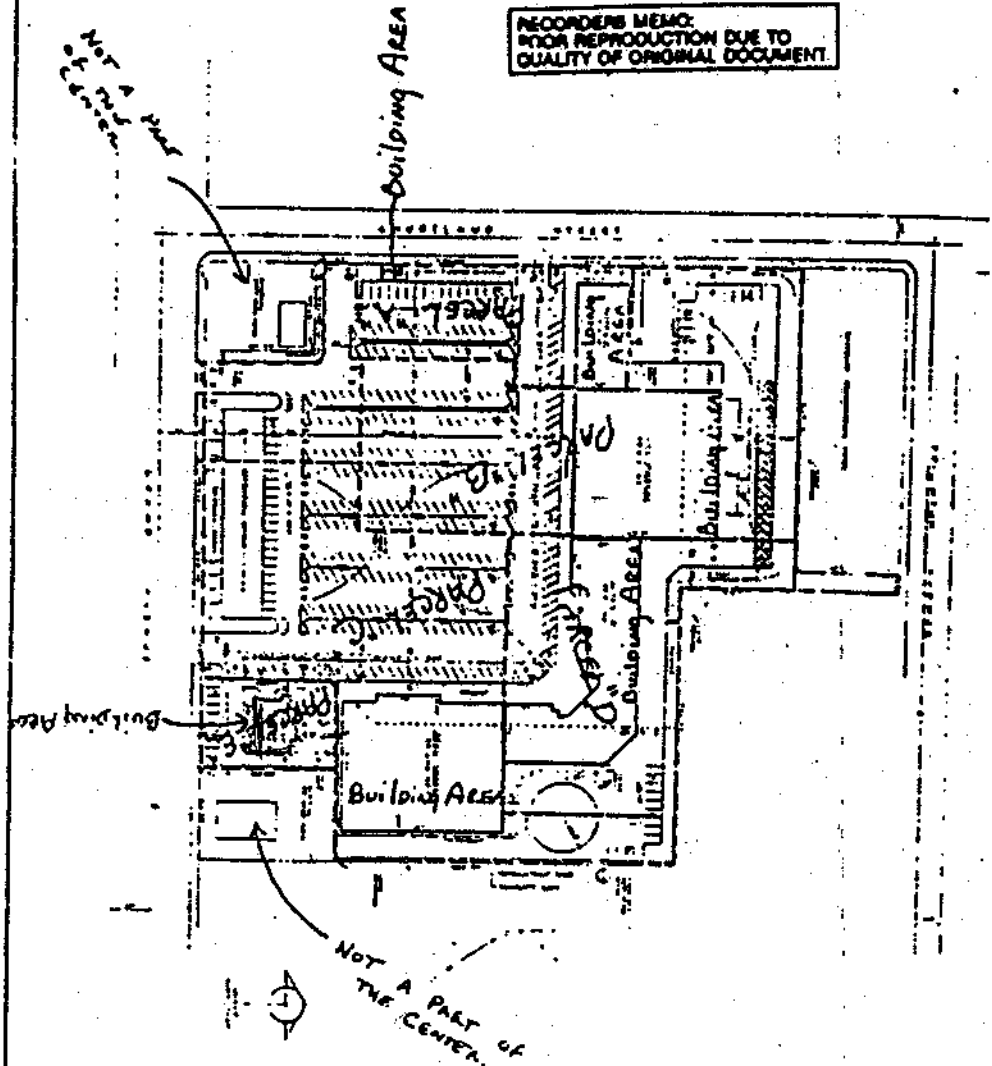
Parcels A, B, C, D and E of Lot Line Adjustment No. A.G. 80-44
in the City of Arroyo Grande, County of San Luis Obispo, State
of California, as shown and designated on the Map recorded on
December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office
of the County Recorder of said County.

EXHIBIT A

Vol. 2316 p. 352



RECORDERS MEMO:
 PRIOR REPRODUCTION DUE TO
 QUALITY OF ORIGINAL DOCUMENT.



-----Parcel Lines

Common Area is all Portions of Parcels A, B, C, D, and E not
 Designated above as building areas

- ☒ Designated no employee parking area.

EXHIBIT "B"

W 2310-42 353



CONSENT AND SUBORDINATION

FIDELITY SAVINGS AND LOAN ASSOCIATION, a California
Corporation, tenant of a portion of that certain real property
described in Exhibit A to the Declaration of Restrictions and
Grant of Easements to which this Consent and Subordination is at-
tached (the "Declaration"), pursuant to that certain unrecorded
ground lease dated JAN. MAY 30, 1981 (the "Lease"),
hereby consents to all of the terms and provisions of the Declara-
tion and agrees that its interest in the real property described
in Exhibit A to the Declaration, pursuant to the Lease or other-
wise, is and henceforth shall be subject and subordinate to all
of the terms and provisions of the Declaration.

Dated: March 5, 1981.

FIDELITY SAVINGS AND LOAN ASSOCIATION,
a California Corporation
By [Signature]
By [Signature]

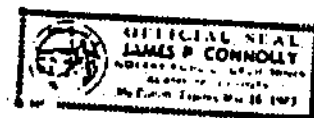
(To Be Notarially Acknowledged)

(Corporate)

STATE OF CALIFORNIA
COUNTY OF Alameda

On March 5, 1981 before me, the undersigned, a Notary Public in and for said
State, personally appeared William Knickhoff
known to me to be the Vice President and Secretary
of the Fidelity Savings and Loan Association, a corporation organized under the laws of the State of California,
and acknowledged to me that such corporation executed the within instrument
and that he is a duly authorized officer of said corporation.

WITNESS my hand and official seal
Notary
James P. Connolly
Notary (Typed or Printed)



2/9/81

END OF DOCUMENT

Vol. 2310-354

RECORDING REQUESTED BY
Title Insurance and Trust Company

3/10/81 946 3

GERRISH, OLSON, CANTRELL &
BAILEY
1092 Grand Avenue - Suite D
Arroyo Grande, California
93420

GERRISH, OLSON, CANTRELL &
BAILEY
1092 Grand Avenue - Suite D
Arroyo Grande, California
93420

DOC NO 10224
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA

MAR 10 1981

WILLIAM E. ZIMMER
COUNTY RECORDER

TIME 8:00 AM

Individual Grant Deed

SPACE ABOVE THIS LINE FOR RECORDING
PORTION OF 77-347-57; 43:51
52; 53; 40; 41; 44; 46; 55

The undersigned grantor(s) declare(s):

Decedentary transfer act is none

I am computed on full value of property conveyed, or

I am computed on full value less value of liens and encumbrances remaining at time of sale.

I am incorporated in: (State) City of Arroyo Grande and

FOR A VALUABLE CONSIDERATION, of which is hereby acknowledged JOSE G. SCOLARI and
ELDEEN W. SCOLARI, husband and wife as community property, as to an un-
divided one-half (1/2) interest; WILLIAM G. GERRISH and NANCY L. GERRISH,
husband and wife as community property, as to an undivided one-fourth (1/4)
interest; and RONALD R. OLSON and SHARON B. OLSON, husband and wife as
community property, as to an undivided one-fourth (1/4) interest

hereby GRANT to

ARROYO PARTNERS, a California
limited partnership

the following described real property in the City of Arroyo Grande
County of San Luis Obispo, State of California:

SEE EXHIBIT A, ATTACHED HERETO
AND INCORPORATED HEREIN BY
REFERENCE

Dated February 26, 1981

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO
on February 26, 1981

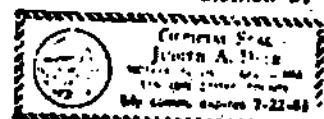
JOSE G. SCOLARI, ELDEEN W. SCOLARI,
WILLIAM G. GERRISH, NANCY L. GERRISH,
RONALD R. OLSON and SHARON B. OLSON

to the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged that they executed the same.
WITNESSES are hereunto affixed and

JUDITH A. DYER

Judith A. Dyer

Jose G. Scolari
JOSE G. SCOLARI
Eldeen W. Scolari
ELDEEN W. SCOLARI
William G. Gerrish
WILLIAM G. GERRISH
Nancy L. Gerrish
NANCY L. GERRISH
Ronald R. Olson
RONALD R. OLSON
Sharon B. Olson
SHARON B. OLSON



Title Order No. 130076

MAX TAX STATEMENTS AS DIRECTED ABOVE

Vol 2310 Page 357

Parcels A, D and E of Lot Line Adjustment No. J.C. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 1 of Parcel Maps in the Office of the County Recorder of said County,

SUBJECT TO AND TOGETHER WITH all easements, covenants, conditions, restrictions, rights and liabilities as set forth in that certain Declaration of Restrictions and Grant of Easements recorded in the Official Records of San Luis Obispo County, California in Book 331C, at Page 339, as Instrument No. 10222.

EXHIBIT A

END OF DOCUMENT

W. 2310-358

16 on prelim

RECORDING REQUESTED BY
TICOR TITLE INSURANCE COMPANY
OF CALIFORNIA

Recording Requested by and
When Recorded Return to:

SWINER-CORLETT & CO.
6336 Wilshire Boulevard
Los Angeles, California 90048

DOC. NO. 30302
OFFICIAL RECORD
SAN LUIS OBISPO CO., CA

MAY 16 1988

FRANCIS M. COONEY
County Clerk-Recorder
TIME 8:20 AM

2-0 85
510-1176

166940-DD

DEED OF TRUST

THIS DEED OF TRUST, made as of April 14, 1988, between North Coast Centers, a California Limited Partnership, whose address is c/o Pacific Blue Group, 1165 Coast Village Road, Suite K, Santa Barbara, California 93108, herein called Trustor, Ticor Title Insurance Company of California, herein called Trustee, and THE CANADA LIFE ASSURANCE COMPANY, a Corporation organized and existing under the laws of the Dominion of Canada, with its principal place of business in Toronto, Ontario, Canada herein called Beneficiary.

WITNESSETH:

That Trustor hereby Irrevocably Grants, Bargains, Sells, Transfers, Conveys, Assigns and Confirms unto Trustee, in Trust, with Power of Sale, all that property in the City of Arroyo Grande, County of San Luis Obispo, and State of California, described as:

(See Exhibit "A" attached hereto and incorporated herein by this reference.)

TOGETHER WITH all and singular the easements, rights, privileges, improvements, buildings, tenements, hereditaments and appurtenances to the said premises now or hereafter belonging or in any wise incident or appertaining thereto which shall include, without limiting the generality of the foregoing: all electric wiring, plumbing and heating fixtures, appliances and equipment for heating, lighting, refrigeration, air-conditioning, and fire fighting, screen doors, screens, awnings, shades, venetian blinds, alarm systems, safety and life support systems, stoves, ovens, dishwashers, carpeting and other floor coverings, and all other equipment now or hereafter installed in or upon said premises by Trustor and used or for use therein or thereon, it being mutually agreed that all of the aforesaid property owned by

Trustor and placed on the real property shall be deemed to be fixtures, a part of the real property covered by this Deed of Trust to the extent permitted by law, and, as to the balance of said property, this Deed of Trust shall be deemed to be a Security Agreement for the purpose of creating a security interest in said property for the benefit of Beneficiary all of which property, whether real or personal, shall secure the performance of Trustor's obligations hereunder and under the Note as hereinafter defined; provided, however, that if Trustor enters into a separate Security Agreement with Beneficiary relating to any of said property, the terms thereof shall govern the rights and remedies of Beneficiary with regard to the property covered thereby; provided however, that trade fixtures or other personal property of any tenant now or hereafter installed shall not be included in this provision and shall not be affected hereby;

AND TOGETHER WITH all of the rents, issues and profits of the aforesaid property, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits;

AND TOGETHER WITH all right, title and interest of Trustor including any after acquired title or reversion in and to any land lying in the bed of any street, road, highway or alley adjacent to the premises above described;

To Have and to Hold the property described above (hereinafter referred to as the "Property") unto said Trustee, its successors and assigns.

For the purpose of securing, in such order of priority as Beneficiary may determine:

One: Payment of the indebtedness evidenced by one promissory note (and any renewals or extensions or modifications thereof) u. even date herewith (hereinafter the "Note"), payable to the order of Beneficiary in a principal sum of Two Million Three Hundred Thousand and No/100 Dollars (\$2,300,000.00) together with interest thereon and late charges as provided by the Note, which is made a part hereof by this reference, made, executed and delivered by Trustor to Beneficiary.

Two: Payment of all other moneys herein agreed or provided to be paid by Trustor.

Three: Performance and discharge of each and every obligation, promise and agreement of Trustor herein contained, or contained in the Note or in any other instrument now or hereafter evidencing or securing any indebtedness hereby secured.

Trustor covenants and agrees:

1. To pay the principal and interest, additional interest, and other charges payable under the Note according to its terms.

2. To pay when due: (a) all taxes and assessments affecting the Property, including assessments on appurtenant water stock, and any accrued interest, cost and/or penalty thereon and to submit copies of receipts therefor to Beneficiary at least ten (10) days before delinquency; (b) all encumbrances (including any debt secured by deed of trust), ground rents (including the rent and other charges payable by Trustor or lessee under any ground lease), liens, and/or charges, with interest, on the Property or any part thereof; (c) all charges for utilities or services including but not limited to electricity, gas and water; and (d) all costs, fees and expenses of this Deed of Trust, including cost of evidence of title and Trustee's fees and reasonable attorneys' fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of a declaration of default and demand for sale, as hereinafter provided.

3. To pay to Beneficiary each month, together with and in addition to any regular installments of principal and/or interest due under the Note, until the indebtedness secured hereby is paid in full, an amount estimated by Beneficiary to be necessary to enable Beneficiary to pay at least thirty (30) days before they become due, all taxes, assessments and other similar charges against the Property, including any amounts which may become payable by Trustor pursuant to Paragraph 2 below, and premiums for the policies of insurance required by Paragraph 3 below. Beneficiary shall not be obligated to pay interest on any such sums. No portion of the sums so deposited shall be considered to constitute funds deposited in trust with Beneficiary and/or its servicing agent, and such sums may be commingled with other accounts held by Beneficiary. Trustor shall deliver to Beneficiary, upon demand of Beneficiary, such sums as are necessary to enable Beneficiary to pay such taxes, assessments, insurance premiums and similar charges. If there shall be a default under any of the provisions of the Deed of Trust resulting in a private or public sale of the Property or if the Beneficiary acquires the Property otherwise after default, the Beneficiary shall apply at the time of the commencement of such proceeding or at the time the Property is otherwise acquired, the balance then remaining in the funds accumulated under this Paragraph 3, as a credit against the amount of principal remaining unpaid under the Note.

4. Should Trustor fail or refuse to make any payment or do any act which it is obligated hereunder to make or do, at the time and in the manner herein provided, then Beneficiary, or Trustee upon written instructions from Beneficiary (the legality thereof to be determined solely by Beneficiary), may, without notice to or demand upon Trustor, without releasing Trustor from any obligation hereunder and without waiving its right to declare a default as herein provided or impairing any declaration of default or election to cause the Property to be sold or any sale proceeding predicated thereon: (a) Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary and Trustee being authorized to enter upon and take possession of the Property for such purposes; (b) commence, appear in and/or defend any action or proceedings purporting to affect the security hereof, and/or any additional or other security for the obligations secured hereby, the interest, rights, powers and/or duties of Trustee and/or Beneficiary hereunder, whether brought by or against Trustor, Trustee or Beneficiary; and (c) pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of either Trustee or Beneficiary may affect or appear to affect the security of this Deed of Trust, the interest of Beneficiary or the rights, powers and/or duties of Trustee and/or Beneficiary hereunder.

5. Trustor shall keep the improvements now existing or hereafter erected on the Property and all fixtures and personal property that are security for payment of the indebtedness, insured under insurance policies in form and substance satisfactory to Beneficiary, issued by companies satisfactory to Beneficiary. Such policy shall be written on an all-risks basis and shall include such other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Beneficiary. Such insurance policies shall contain a non-contributing mortgagee clause (in favor of and entitling Beneficiary or its designated trustee to collect any and all proceeds payable under all such insurance), a waiver of subrogation endorsement, a replacement cost endorsement, a stipulated value endorsement and an inflation guard endorsement, all in form acceptable to the Beneficiary and in amounts sufficient to prevent the Trustor and/or the Beneficiary becoming a co-insurer of any loss. In no event shall the amount of insurance be less than the full replacement cost of the Property, excluding land value, foundations, and excavation costs. Trustor shall also purchase and maintain full rent loss insurance, on terms and conditions satisfactory to Beneficiary, and with companies satisfactory to Beneficiary, with Beneficiary as loss payee, in an amount equal to not less than Three Hundred Thousand

Dollars (\$300,000.00). The proceeds of such rental loss insurance shall be assigned to Beneficiary and shall be used to pay taxes, expenses, and debt service on the Property until the improvements have been restored and placed in operation at which time the balance of such proceeds shall be paid to Trustor if Trustor is not in default hereunder. All such insurance policies and renewals thereof shall be delivered to and held by the Beneficiary. Trustor shall also obtain comprehensive general public liability insurance in form and amount satisfactory to Beneficiary and naming Beneficiary as an additional insured. If Trustor fails to provide such policies then Beneficiary may, at its option, procure such insurance on behalf of Trustor and any sums paid for such insurance shall be immediately reimbursed to Beneficiary by Trustor. Trustor shall not carry separate insurance concurrent in kind or form or contributing in the event of loss, with any insurance required hereunder. In the event of a change in ownership or the character of occupancy of the Property, Trustor shall deliver immediate notice to the Beneficiary. The Trustor hereby authorizes the Beneficiary at its option to collect, adjust and compromise any losses under any of the insurance aforesaid and after deducting costs of collection to apply the proceeds at its option as follows: (a) as a credit upon any portion, as selected by Beneficiary, of the indebtedness secured hereby, or (b) to restoring the improvements, in which event the Beneficiary shall not be obligated to see to the proper application thereof nor shall the amount so released or used be deemed a payment on any indebtedness secured hereby, or (c) to deliver same to the owner of the Property. In the event of foreclosure of this Deed of Trust, or other transfer of title to the Property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Trustor, in and to any insurance policies then in force, shall pass to the purchaser or grantee. All insurance policies required by this paragraph shall provide for at least thirty (30) days written notice to Beneficiary of cancellation for any reason including nonpayment of premiums.

6. Trustor shall keep all buildings and improvements which now are or shall hereafter be erected upon the Property in good and tenable condition and repair, shall neither commit nor permit waste thereof, and shall neither remove nor demolish nor alter nor impair the design or structure, character of any building or improvement now existing or which hereafter may be erected upon the Property unless Beneficiary shall first consent thereto in writing. Should Trustor fail so to do, Beneficiary may at its option make advisable or necessary repairs or remedy any waste and Beneficiary, acting through its employees, agents or attorneys, is hereby authorized to enter upon and take possession of the Property for such purpose.

7. Trustor shall pay when due all claims for labor performed and materials furnished on the Property and shall keep the Property free of mechanics' and materialmen's liens.

8. Trustor shall pay to Trustee and to Beneficiary, respectively, immediately and without demand, all amounts and sums of money which they shall respectively pay or expend pursuant to the provisions, or any of them, herein contained, together with interest upon each of said amounts from date of expenditure until paid at the Default Rate of the Note, and if not so repaid by Trustor, all sums advanced or expended by Trustee or Beneficiary pursuant to the provisions hereof, together with said interest, shall be added to the debt and secured hereby.

9. Trustor shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property, and Trustor shall not suffer or permit any act to be done in or upon this Property in violation thereof.

10. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Note of Trust and the Note to Trustee for cancellation and retention and upon Trustor's payment of Trustee's fees, Trustee shall reconvey, without warranty, the estate in the Property then held by Trustee. The grantee in such reconveyance may be designated and described as the "person or persons legally entitled thereto", or by other appropriate terms. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

11. In the event of default in the payment of the Note or any installment of interest and principal or interest or principal when due according to the terms of the Note or any agreement extending or modifying the Note, or in the payment of any of the other moneys herein agreed to be paid or of any interest thereon, or in the performance of any of Trustor's obligations, pre-lises or agreements hereunder, or in the event that proceedings be instituted by or against the then owner of the Property under any bankruptcy or insolvency law, or in the event foreclosure of any lien shall be commenced, any of which shall constitute a breach of agreement and an event of default hereunder, then, at its option, Beneficiary may declare the entire unpaid balance of the indebtedness secured hereby immediately due and payable by delivery to Trustee of a written declaration of default and demand for sale and a written notice of default and of election to cause to be sold the Property, which latter notice Trustee shall cause to be duly filed for record.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. If the Property consists of several known lots or parcels, Beneficiary may designate the order in which such parcels shall be sold or offered for sale, subject always, however, to any unqualified statutory right which Trustor may have in direct such order. Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale.

Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may, if allowed to do so by statute, postpone such sale by public announcement at the time fixed by the preceding postponement; and without further notice it may make such sale at the time to which the same shall be postponed, provided, however, that the sale or any postponement thereof must be made at the place fixed by the original notice of sale.

12. Trustee, after making such sale, and upon receipt of the purchase price, shall make, execute and deliver to the purchaser or purchasers its deed or deeds conveying the Property so sold, but without any covenant or warranty, express or implied, and shall apply the proceeds of sale thereof to payment, FIRSTLY, of the expenses of such sale, together with the reasonable expenses of this Trust, including Trustee's fees and cost of evidence of title in connection with sale and revenue stamps on Trustee's deed; SECONDLY, of all moneys paid, advanced or expended by Beneficiary under the terms hereof, not then repaid, together with the interest thereon as herein provided; THIRDLY, of the amount of the principal and interest on the Note then remaining unpaid; and LASTLY, the balance or surplus, if any, of such proceeds of sale to the person or persons legally entitled thereto, upon satisfactory proof of such right.

13. In the event of a sale of the Property, or any part thereof, and the execution of a deed or deeds therefor under these trusts, the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof and of the fact that said sale was regularly and validly made in accordance with all requirements of the law of the State of California and of this Deed of Trust; and any such deed or deeds, with such

recitals therein, shall be effectual and conclusive against Trustor and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligations to see to the proper application of the purchase money according to the trusts aforesaid.

14. As additional security, Trustor hereby grants to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any part of the indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. In case default be made in payment of any part of the indebtedness secured hereby or in performance of any of Trustor's obligations, promises or agreements herein contained, then Beneficiary shall be entitled at any time during the continuance of any such default, and without notice, in its sole discretion, either by its agents, attorneys, employees, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, to enter upon and take possession of the Property and every part thereof, exclude Trustor therefrom, to do and perform any acts of repair that Beneficiary may deem necessary or proper to conserve the value thereof, to use, operate, manage and control the Property and rent or lease the same or any part thereof for such rental and upon such terms and conditions as its judgment may dictate, and in its own name to sue for or otherwise collect and receive all rents, issues and profits thereof, including those past due and unpaid as well as those accruing thereafter. In order that the powers in this paragraph contained may be given full force and effect, Trustor further agrees that Beneficiary may also take possession of, and for these purposes use, any and all personal property contained in the Property and used by Trustor in the rental or leasing of the Property or any part thereof. Beneficiary may apply all such rents, issues and profits collected or received by it (less costs and expenses incurred in taking possession of operation and collection, including reasonable attorney's fees, reasonable compensation paid to any agent appointed by Beneficiary and any receiver's fees) upon any portion of the indebtedness secured hereby, and in such order as Beneficiary may determine. Neither the entering upon and taking possession of the Property, nor the collection of such rents, issues and profits and the application thereof as aforesaid, shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice; nor shall the exercise of this right and power by

Beneficiary be construed to be an affirmation by it of any tenancy, lease or option theretofore existing or a subordination of the lien of this Deed of Trust thereto. The right to take such possession and collect such rents, issues and profits shall be cumulative to the right and remedy to declare a default and to cause notice of default to be recorded, and cumulative to any other right or remedy provided herein or at law or in equity, and may be exercised concurrently or independently.

15. All judgments, awards of damages and settlements hereafter made as a result of or in lieu of any condemnation or other proceedings for public use of or for any damage to the Property or the improvements thereon or any part thereof are hereby assigned and shall be paid to Beneficiary. Trustor agrees to execute such further assignments of any such award, judgment or settlement as Beneficiary may require and to deliver Beneficiary all proceeds of any such award, judgment or settlement which may be received by Trustor. Beneficiary may apply any and all such sums as any portion of the indebtedness selected by it, whether then matured or subsequently to mature; or, at its option, the entire amount so received by it or any part thereof may be released to Trustor. Neither the application nor the release of any such sums shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice; nor shall Beneficiary be held responsible for any failure to collect any award; nor shall anything in this section affect the liability of Trustor for payment of the entire balance of the debt secured hereby.

16. Without affecting the personal liability of any person, including Trustor (other than any person released pursuant hereto), for the payment of the indebtedness secured hereby, and without affecting the lien of this Deed of Trust for the full amount of the indebtedness remaining unpaid upon any property not reconveyed pursuant hereto, Beneficiary and Trustor are respectively authorized and empowered as follows: Beneficiary may, at any time and from time to time, either before or after the maturity of the Note, and with notice: (a) release any person liable for the payment of any of the indebtedness, (b) make any agreement extending the time or otherwise altering the terms of payment of any of the indebtedness, (c) accept additional security then or of any kind, (d) release any property, real or personal, securing the indebtedness. Trustor may, without liability herefor and without notice, at any time and from time to time so long as the lien or charge hereof shall subsist, but only upon the written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement: (a) consent to the making of any map or plat of the Property,

(b) join in granting any easement thereon or in creating any covenants restricting use or occupancy thereof, (c) recovery, without warranty, any part of the Property, (d) join in any agreement extending or in any agreement substituting the lien or charge hereof.

17. If the indebtedness secured hereby is now or hereafter further secured by security agreements covering personal property, deeds of trust, pledges, contracts of guaranty or other additional securities, Beneficiary may, at its option, exhaust any one or more of said securities as well as the security hereunder, either concurrently or independently and in such order as it may determine, and may apply the proceeds received upon the indebtedness secured hereby without affecting the status of, or waiving any right to exhaust all or any other security including the security hereunder and without waiving any breach or default or any right or power, whether exercised hereunder or contained herein or in any such security.

18. Acceptance by Beneficiary of any sum in payment or part payment of any portion of the indebtedness secured hereby after the same is due shall not constitute a waiver of Beneficiary's right to require prompt payment when due of all other sums secured hereby, nor shall such acceptance cure or waive any remaining default or waive any subsequent default or prejudice any of the rights of Beneficiary under this Deed of Trust.

19. In the event of the passage, after the date of this Deed of Trust, of any law deducting from the value of the Property for the purposes of taxation any lien thereon, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust, or the manner of the collection of any such taxes, or imposing payment of the whole or any portion of any taxes, assessments or other similar charges against the Property upon the Beneficiary, the indebtedness secured hereby shall immediately become due and payable at the option of the Beneficiary; provided, however, such election by Beneficiary shall be ineffective if prior to the due date: (i) Trustor is permitted by law and can become legally obligated to pay such tax or the increased portion thereof (in addition to all interest and other charges payable hereunder and under the Note without exceeding the applicable limits imposed by the usury laws of the State of California); (ii) Trustor does pay such tax or increased portion; and (iii) Trustor agrees with Beneficiary in writing to pay, or reimburse Beneficiary for the payment of, any such tax or increased portion thereof when

thereafter levied or assessed against the Property or any portion thereof. The obligations of Trustor under such agreement shall be secured hereby.

10. At the option of Beneficiary the entire unpaid balance of the indebtedness secured hereby shall become immediately due and payable as in the case of any default and, as provided in the preceding sections, Trustee shall sell the Property if Trustor, without first obtaining the written consent of Beneficiary thereto, shall attempt to assign the rents, or any part thereof, from the Property; or shall consent to the cancellation or surrender of any lease of the Property or of any part thereof, now existing or hereafter to be made having an unexpired term of one (1) year or more and which is for 2,500 square feet or more; unless Trustor has obtained a new lease upon at least as favorable terms as the lease being cancelled or surrendered, or unless the existing lease is in default and the cancellation or surrender is because of such default; or shall modify any such lease so as to shorten the unexpired term thereof, or so as to decrease the amount of the rent payable thereunder, or shall receive or collect more than one (1) month rent in advance; or shall remove any fixtures or equipment without suitable replacements of at least equal value being immediately made and installed in the Property; or shall in any other manner impair, or threaten to impair, the value of the Property of the security of Beneficiary for the payment of the indebtedness hereby secured.

11. Beneficiary shall be subrogated to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this Deed of Trust.

12. Beneficiary may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the successor Trustee's predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded, and the name and address of the new Trustee.

13. Beneficiary, by any authorized agent or employee, may at any reasonable time enter upon and inspect the Property.

24. Trustor has executed and delivered to Beneficiary, a security agreement covering the chattels and personal property installed in or used in connection with the operation of the premises hereby granted and conveyed and an Absolute Assignment of Leases and Rents in favor of Beneficiary. All obligations thereunder shall be secured hereby and any default thereunder shall be a default under this Deed of Trust, and all amounts owed by or due from Trustor under any of said documents shall be a part of the indebtedness secured hereby.

25. Trustor shall submit annual operating statements certified by Trustor, setting out in reasonable detail income and expenditures from the operation of the Property to be received by Beneficiary within ninety (90) days from the end of each fiscal year of the Trustor. Each annual statement shall include an annual rental schedule and a schedule of gross receipts from any tenant obligated to pay percentage rents. If these statements are not received by the due dates Beneficiary shall have the right to have independent auditors of Beneficiary's choice inspect the books and other records of the Trustor in order to obtain and verify the necessary information. The cost of such inspection shall be reimbursed to Beneficiary immediately with interest from the date of expenditure at the interest rate of the Note. In addition, Beneficiary or its agents shall have the right, upon five (5) days' written notice to Trustor, to inspect and make copies of Trustor's books and records and income tax returns with respect to the Property for the purpose of verifying such annual statements.

26. Any remedy herein provided shall not be exclusive of any other remedy given by the terms hereof or now or hereafter existing at law or in equity, but shall be cumulative.

27. The failure by Beneficiary promptly to exercise any right, power, or remedy provided herein or at law or in equity shall not constitute a waiver of the same, nor shall Beneficiary thereby be estopped from later exercising such right, power, or remedy.

28. The invalidity of any one or more agreements, provisions, phrases, clauses, sentences, or paragraphs of this Deed of Trust shall not affect the remaining portions of this Deed of Trust or any part thereof and this Deed of Trust shall be construed as if such invalid agreement, provisions, clauses, phrases, sentences, or paragraphs, if any, had not been inserted herein.

29. This Deed of Trust shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto, and shall be so construed that wherever applicable with reference to any of the parties hereto, the use of the singular number shall include the plural number, the use of the plural number shall include the singular number and the use of any gender shall include all genders. All obligations of Trustor hereunder are joint and several. The term Beneficiary shall mean the owner and holder, including pledgees, of the Note secured hereby, whether or not named as Beneficiary herein.

30. Trustor hereby requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

31. This Deed of Trust and the rights, obligations, and indebtedness secured hereby shall be construed and enforced according to the laws of the State of California.

32. For any statement regarding the obligation secured hereby, Beneficiary may charge the maximum amount permitted by law at the time of the request therefor.

33. Should Trustor sell, convey, transfer or dispose of the Property, or any part thereof, or any interest therein, or place any secondary lien or encumbrance thereon, or agree to do so, (whether voluntarily or by operation of law), without the written consent of Beneficiary being first obtained which consent shall not be unreasonably withheld, the Beneficiary shall have the right, at its option, to declare all sums secured hereby forthwith due and payable with a prepayment premium as referenced in the Note. This option may be exercised at any time after the occurrence of such event and the acceptance of one or more installments from any person thereafter shall not constitute a waiver of Beneficiary's option. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. Beneficiary specifically reserves the right to condition its consent to a sale, transfer, assignment or conveyance (by way of illustration but not by way of limitation) upon its approval of sufficient evidence presented by Trustor, of the purchaser's, assignee's transferee's, or subsequent owner's of the Property:

(a) net worth and current income sufficient to pay all sums due on the Note when due;

Sale of property

requirement of buyer

(b) substantial and successful managerial experience with properties of similar size and character;

(c) good credit history; and

upon payment to Beneficiary of a fee not to exceed two percent (2%) of the outstanding principal balance at the time of the transfer and all expenses incurred by Beneficiary for the review of such evidence.

Notwithstanding anything set forth above to the contrary, the partnership of Trustor may transfer partnership interests provided that two (2) or more of the present general partners (i.e., William F. Kealey, Edwin F. Moore, William Keller and Gregory M. Daniels) remain as general partners and retain a minimum of fifty-one percent (51%) combined general partnership interest.

For the purpose of, and without limiting the generality of the foregoing, the occurrence at any time of any of the following events, without Beneficiary's prior written consent, shall be deemed to be an unpermitted transfer of the Property and therefore an event of default hereunder:

(a) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, all or any part of the legal and/or equitable title to the Property;

(b) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any share of stock of any corporate trustor;

(c) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any general partnership interest in any partnership trustor.

No such consent shall be considered by the Beneficiary unless the appropriate service fees and legal fees are paid in advance and no such consent shall be given unless the Trustor agrees, inter alia, that immediately upon closing of the subject sale or transfer, to provide Beneficiary with a copy of the deed or other instrument conveying title to the Property and with an assumption agreement from the transferee in form satisfactory to the Beneficiary and its legal counsel.

14. Trustor shall, and Trustor shall cause all employees, agents, contractors and subcontractors of Trustor and any other persons present on or occupying the Property to, keep

and maintain the Property, including the soil and ground water thereof, in compliance with, and not cause or permit the Property, including the soil and ground water thereof, to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene, or to the environmental conditions thereon (including but not limited to any "Hazardous Materials Laws" as hereinafter defined). Neither Trustor nor employees, agents, contractors and subcontractors of Trustor or any other persons occupying or present on the Property shall use, generate, manufacture, store or dispose of on, under or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any Hazardous Materials Laws (collectively referred to hereinafter as "Hazardous Materials").

Trustor shall immediately advise Beneficiary in writing of: (i) any notices (whether such notices are received from the Environmental Protection Agency, the Occupational Safety and Health Agency, the Department of Health Services, the State Water Quality Control Board, the Department of Sanitation, the Department of Public Works or any other federal, state or local governmental agency or regional office thereof) of violation or potential violation which are received by Trustor of any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Hazardous Substances Account Act, the Hazardous Substances Act, the Occupational Health and Safety Act, the Porter-Cologne Water Quality Control Act, the Solid Waste Management Act of 1980, the Toxic Pit Cleanup Act, the Underground Tank Act of 1984, and the California Water Quality Improvement Act (collectively "Hazardous Materials Laws"); (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Hazardous Materials Laws; (iii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iv) Trustor's discovery of any occurrence or condition on or near property adjoining or in the vicinity of the Property that could cause the Property or any

Hazard
Material
Prohibited
and
Not for

part thereof to be classified as "border-zone property" under the provisions of California Health and Safety Code, Sections 25220 et. seq. or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Laws.

Beneficiary shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' and consultants' fees in connection therewith paid by Trustor upon demand.

Trustor shall be solely responsible for, and shall indemnify and hold harmless Beneficiary, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence (whether prior to or during the term of the loan secured by this Deed of Trust) of Hazardous Materials on, under or about the Property (whether by Borrower or a predecessor in title or any employees, agents, contractor or subcontractors of Borrower or any predecessor in title or any third persons at any time occupying or present on the Property), including, without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans; (c) damage to any natural resources; and (d) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a), (b) and (c), including but not limited to reasonable attorneys' and consultants' fees.

Any costs or expenses incurred by Beneficiary for which Trustor is responsible or for which Trustor has indemnified Beneficiary shall be paid to Beneficiary on demand, and failing prompt reimbursement, shall be added to the indebtedness secured by this Deed of Trust and earn interest at the Default Rate until paid in full.

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any

*Hazardous materials
Borrower
Solely responsible
6/10/99
Lender*

Hazardous Material Claims, which remedial action, settlement, consent or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, or (ii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder.

Upon Beneficiary's request, Trustor shall retain, at Trustor's sole cost and expense, a licensed geologist, industrial hygienist or an environmental consultant (referred to hereinafter as the "Consultant") acceptable to Beneficiary to conduct a baseline investigation of the Property for the presence of Hazardous Materials ("Environmental Audit"). The Environmental Audit shall be performed in a manner reasonably calculated to discover the presence of Hazardous Materials contamination; provided, however, such investigation shall be of a scope and intensity no greater than a baseline investigation conducted in accordance with the general standards of persons providing such services taking into consideration the known uses of the Property and property in the vicinity of the Property and any factors unique to the Property. The Consultant shall concurrently deliver the results of its investigation in writing directly to Trustor and Beneficiary without prior consultation with either party unless conducted in the presence of the other party. Such results shall be kept confidential by both Trustor and Beneficiary unless legally compelled or required to disclose such results or disclosure is reasonably required in order to pursue rights or remedies provided herein or at law.

If Trustor fails to pay for or obtain an Environmental Audit as provided for herein, Beneficiary may, but shall not be obligated to, obtain the Environmental Audit, and either demand reimbursement from Trustor or add the cost thereof to the indebtedness secured by this Deed of Trust, in which case interest shall accrue on such sum at the Default Rate.

Trustor covenants to reasonably cooperate with the Consultant and to allow entry and reasonable access to all portions of the Property for the purpose of Consultant's investigation. Trustor covenants to comply, at its sole cost and expense, with all recommendations contained in the Environmental Audit, including any recommendation for additional testing and studies to detect the presence of Hazardous Waste Materials, if Beneficiary requires the implementation of the same.

35. Any default under any of the terms and conditions of that certain Note, Deed of Trust, Absolute Assignment of Leases and Rents and Agreement Granting Security Interest in Personal Property, Equipment and Fixtures, all of even date herewith, executed by North Coast Centers, a California Limited Partnership concerning certain real property described on Exhibit "B" attached hereto in favor of Beneficiary shall be deemed to be a default hereunder and shall give rise to the same remedies provided for herein with respect to a default hereunder or under the Note, Absolute Assignment of Leases and Rents and Agreement Granting Security Interest in Personal Property, Equipment and Fixtures.

36. This Deed of Trust is made in connection with a loan arranged by DWYER-CURLETT & CO., a licensed California real estate broker (license #0-313083, expiring March 30, 1990).

NORTH COAST CENTERS,
a California Limited Partnership

By: [Signature]
William F. Masley,
General Partner

By: [Signature]
Edwin F. Moore,
General Partner

By: [Signature]
William Keller,
General Partner

By: [Signature]
Gregory M. Sealale,
General Partner

STATE OF CALIFORNIA

COUNTY OF Santa Barbara

} ss.

On MAY 5, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared WILLIAM F. KEALEY, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the general partners, on behalf of NORTH COAST CENTERS, a California Limited Partnership, the partnership therein named, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



Berky Bolton
Notary Public in and for Said State

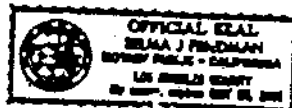
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

} ss.

On MAY 8, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared EDWIN F. MOORE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the general partners, on behalf of NORTH COAST CENTERS, a California Limited Partnership, the partnership therein named, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



Helma J. Friedman
Notary Public in and for Said State

GOVERNMENT CODE 27361.7

I CERTIFY UNDER THE OATH OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY Becky Baiten

NAME OF COUNTY Santa Barbara

DATE COMMISSION EXPIRES June 1, 1990

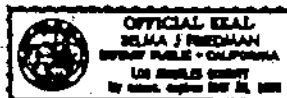
DATED: May 11, 1989
SAN LUIS OBISPO, CALIFORNIA

TICOR TITLE INSURANCE COMPANY
Jammine Palmer
VN 3315

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On May 5, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared WILLIAM KELLER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of NORTH COAST CENTERS, a California Limited Partnership, the partnership therein named, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



Selma J. Friedman
Notary Public in and for Said State.

STATE OF CALIFORNIA }
COUNTY OF Santa Barbara } ss.

On May 5, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared GREGORY M. DANIELS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as one of the general partners, on behalf of NORTH COAST CENTERS, a California Limited Partnership, the partnership therein named, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



Becky Bolton
Notary Public in and for Said State

GOVERNMENT CODE 27361.7

I CERTIFY UNDER THE PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY Becky Bolton
NAME OF COUNTY Santa Barbara
DATE COMMISSION EXPIRES June 1, 1990

DATED: May 11, 1989
SAN LUIS OBISPO, CALIFORNIA

TICOR TITLE INSURANCE COMPANY

Jeanine Palmer
WE 3310PME 124

EXHIBIT "A"

(Legal Description)

PARCEL 1:

Parcels A and B of Map No. AQ-82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982 in Book 32, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

PARCEL 2:

The non-exclusive easements, rights and benefits created by that Certain Declaration of Restrictions and Grant of Easements dated March 4, 1981 and recorded on March 10, 1981 as Document No. 10222 in the Official Records of the County Recorder of San Luis Obispo County pertaining to and over portions of the real property described as follows:

Parcel B and CC of Map No. AQ-82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982, in Book 32, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

EXHIBIT "A"

1377/608/C1679-045/04-16-89/mfs

va 3315 mar 7

EXHIBIT "B" TO DEED OF TRUST

PARCEL ONE:

PARCELS "A" AND "C" AS SHOWN AND DESIGNATED ON THE MAP OF PARCEL MAP NO. 13,632 IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, FILED IN BOOK 25, PAGE 98 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL TWO:

NON-EXCLUSIVE EASEMENTS CREATED BY THAT CERTAIN DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS DATED SEPTEMBER 11, 1988 AND RECORDED SEPTEMBER 23, 1988 AS REEL NO. 86-37947, AS AMENDED BY THAT CERTAIN AMENDMENT TO DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS DATED OCTOBER 4, 1988 AND RECORDED IN SAID OFFICIAL RECORDS ON OCTOBER 27, 1988 AS REEL NO. 86-43874 AND THAT CERTAIN AMENDMENT NO. 2 TO DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS DATED NOVEMBER 21, 1988 AND RECORDED IN SAID OFFICIAL RECORDS ON NOVEMBER 26, 1988 AS REEL NO. 86-49224 AND ALL AS INCORPORATED IN AND GRANTED TO ACOBN PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP IN THE DEED RECORDED NOVEMBER 24, 1988 AS REEL NO. 86-49226 OF SAID OFFICIAL RECORDS OVER PORTIONS OF THE REAL PROPERTY IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

PARCEL "B" OF PARCEL MAP NO. 13,632 IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA SHOWN AND DESIGNATED ON THE MAP FILED IN BOOK 25, PAGE 98 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

END OF DOCUMENT

3315 726

referred to
#16 & prelim

RECORDING REQUESTED BY
TOWER TITLE INSURANCE COMPANY
OF CALIFORNIA

14.01 RF
11.01 RF
23.0717L

Recording Requested by and
When Recorded Return to:

DOC NO. 30303
OFFICIAL RECORDS
SANTA LUIS OBISPO CO., CA

MAY 16 1989

Dwyer-Curlett & Co.
6336 Wilshire Boulevard
Los Angeles, California 90048

FRANCIS M. COONEY
County Clerk-Recorder
TIME 8:20 AM

166946-20

ABSOLUTE ASSIGNMENT OF LEASES AND RENTS

THIS ABSOLUTE ASSIGNMENT OF LEASES AND RENTS ("Assignment") is made April 14, 1989, by North Coast Centers, a California Limited Partnership, whose address is c/o Pacific Blue Group, 1165 Coast Village Road, Suite X, Santa Barbara, California 93108, (hereinafter called "Assignor"), to THE CANADA LIFE ASSURANCE COMPANY, a Corporation, organized and existing under the laws of the Dominion of Canada (hereinafter referred to as "Assignee");

WITNESSETH:

FOR VALUE RECEIVED and to induce Assignee to make the loan hereinafter described, Assignor hereby absolutely and unconditionally sells, assigns, grants, and transfers to Assignee all interest of Assignor, as Lessor in all Leases and any and all guaranties thereof (all hereinafter called "Leases") which affect that real property in the City of Arroyo Grande, County of San Luis Obispo, State of California, more particularly described in Exhibit "A" attached (hereinafter called the "Property").

TOGETHER WITH:

All rents, income, revenues, and profits now due, or which may become due, under the Leases or arising otherwise out of the property, or any interest therein, together with all rights which Assignor may have against all tenants or others under said Leases or otherwise in connection with the property (all hereinafter collectively called "Rents");

SUBJECT to a license hereby reserved to Assignor, but limited as hereinafter provided, to collect said Rents;

FOR THE PURPOSE OF DISCHARGING, in such order of priority as Assignee may determine:

A. Payment of that certain note (hereafter "Note") of even date herewith in the principal sum of Two Million Three Hundred Thousand Dollars (\$2,300,000.00) with interest thereon (and renewals, modifications, changes or extensions thereof), made by Assignor and payable to Assignee, or order, which Note is secured by a deed of trust upon the property, wherein Assignor is the Trustor and Assignee is the Beneficiary (hereafter "Deed of Trust"), an Agreement Granting Security Interest in Personal Property, Equipment and Fixtures ("Security Agreement") and other agreements affecting the property, executed by Assignor.

B. Payment of additional sums and interest thereon which may hereafter be loaned to Assignor by Assignee or Assignee's successors or assigns, when evidenced by a promissory note or notes reciting that the same are secured by the Deed of Trust.

C. Performance by Assignor of all obligations and agreements set forth in said Notes, this Assignment, the Deed of Trust, and Security Agreement, and in all other agreements affecting the property, or any portion thereof, executed by Assignor to Assignee, or for the purpose of supplementing or amending this Assignment.

All of the foregoing matters are herein called the "indebtedness."

TO PROTECT AND MAINTAIN THE SUBJECT MATTER OF THIS ASSIGNMENT, ASSIGNOR AGREES:

1. Assignor represents that it has good title to said Leases and Rents and full right and power to assign same; that no other person has any interest therein prior to that of Assignee; that the Leases are valid and are in full force and effect; that Assignor has not previously sold, assigned, or pledged the Rents; that no Rents have been collected in advance or discounted, or compromised; that Assignor has not received any funds or deposits from any tenant except in accordance with the Leases; and that the tenants and Assignor are not in default of any of the terms of the Leases.

2. Assignor agrees: to timely perform and discharge all of the indebtedness, this Assignment, and the Leases, on the part of the Assignor to be performed; to enforce or secure the performance of the Leases; to appear in and defend any action or

proceeding in connection with the Leases, and, upon request by Assignee, to do so in the name and in behalf of Assignee but at the expense of the Assignor; and to pay all costs and expenses of Assignee, including attorney's fees, in any such action or proceeding in which the Assignee may appear; and to furnish to Assignee, immediately upon receipt, copies of all notices, and demands from every tenant.

3. Assignor further agrees: not to receive or collect any Rents in advance of those called for in the Leases, nor pledge, or assign future Rents, nor release or discharge any tenant thereof or from any obligations under his Lease; not to agree to the subordination of any Lease to the lien of the Deed of Trust; not to cancel, modify, extend or renew any Lease or dispossess any tenant who occupies two thousand five hundred (2,500) square feet or more, except in the event that such tenant is in default of its Lease, without the prior written approval of Assignee; not to lease any part of the Property for any use which is contrary to the provisions of the Leases.

4. If any representation or warranty herein of Assignor shall be found to be untrue, or Assignor shall fail to perform any obligation hereunder, the same shall constitute a default hereunder at the election of Assignee, thereby entitling Assignee to declare all indebtedness immediately due and payable, and to exercise all rights and remedies provided thereunder and hereunder as well as by law or in equity.

5. So long as Assignor shall not be in default hereunder, Assignor shall have a license reserved hereby (but limited as herein provided) to collect all Rents, and to apply same: first, to the payment of all taxes and assessments, both general and special, upon the Property (all referred to herein as "Taxes"); secondly to such insurance as is required by the Deed of Trust; and thirdly, to the payment and performance of the indebtedness in accordance with the terms thereof, before using the Rents for any other purpose.

6. Upon default by Assignor hereunder, or if any guarantor of the indebtedness of Assignor to Assignee shall fail to pay or perform any of the terms of his Guaranty, Assignee may, at its option, without notice, terminate the license of Assignor to collect the Rents, and with or without bringing any action or proceeding, either in person, by agent, or by a receiver: enter upon, take possession of, manage, and operate the Property and collect the Rents, make, enforce and modify the Leases now or hereafter in effect; and otherwise perform all acts with respect to the Property, Leases and Rents as fully as Assignor could do if personally present and Assignee shall, after payment of all

expenses, credit the net amount of income which it may receive, to the indebtedness in the manner, order and amounts as Assignee shall determine.

Provided, that acceptance by Assignee of this Assignment shall not constitute Assignee a mortgagee in possession, or obligate Assignee to appear in or defend any action or proceeding relating to the Rents, Leases or the Property, or to take any action hereunder, or incur any expenses; nor shall Assignee be liable for any injury or damage to person or property sustained by any persons, in or about the Property; and

Provided, further, that the collection and application of Rents by Assignee shall not cure or waive any default hereunder or under any items of the indebtedness, except as applied by Assignee thereto.

7. Assignor hereby irrevocably appoints Assignee its true and lawful attorney, coupled with an interest, in the name of Assignor, to subordinate any Lease to the lien of the Deed of Trust and to collect all Rents payable under the Leases. This Assignment shall constitute a direction to and full authority to each such tenant and tenants to pay all Rents to Assignee. The foregoing powers are irrevocable, continuing, and exclusive in Assignee, its successors and assigns.

8. Assignor agrees to indemnify and hold Assignee harmless from all liability, loss, damage or expense which it may incur by reason of this Assignment, or any action taken by Assignee hereunder. Should Assignee incur any such liability, loss, damage or expense, Assignor shall pay the amount thereof (including reasonable attorneys' fees), with interest thereon at the Default Rate of the Note, to Assignee immediately and without demand, and such payment shall be secured by the Deed of Trust.

9. Assignor will keep the Property leased at good and sufficient rents, and all future leases, rental agreements and tenancy agreements effecting the Property shall be deemed immediately assigned to Assignee upon the same terms herein contained. Assignor agrees to execute unto Assignee upon demand any and all other instruments that Assignee may require to carry out the intent of this Assignment.

10. Failure of Assignee to avail itself of any provisions hereof shall not be a waiver of any of its rights; and nothing done or omitted by Assignee pursuant hereto, shall be a waiver of any of its rights and remedies under any of the items of indebtedness. The right of Assignee to collect the

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indebtedness and enforce any security therefor may be exercised either prior to, simultaneously with, or subsequent to, any action hereunder.

11. Upon payment in full of all of the indebtedness, this Assignment, except for the provisions of Paragraph 8 hereof which shall continue in effect, shall be of no further effect.

12. Any notice, demand, or other communication to be given to any party hereunder shall be in writing and sent by regular or certified mail as follows:

To Assignor: (at the address set forth above)

To Assignee: (to the address to which Assignor has most recently been directed to make payments under the Note by the holder thereof)

Notice shall be deemed given forty-eight (48) hours after its deposit in the United States mail, postage prepaid, addressed as set forth above. The addresses and addressees may be changed by written notice thereof in the manner provided herein.

13. If Assignor retains any instruments evidencing the Leases, such retention is for the convenience only of Assignor, and shall not defeat or diminish any right of Assignee hereunder. Assignor shall upon demand of Assignee deliver all such instruments.

14. The terms hereof shall run with the land and shall inure to the benefit of and bind all parties hereof and their respective legal representatives, successors and assigns, and all their tenants and subtenants. In this Assignment, the masculine gender shall include the others, the singular shall include the plural, and conversely, and the term "lease" and "tenant," and the plurals thereof, shall mean "sublease" and "subtenant" and "concessionaire," "concession," "licensee" and "license," and the plurals thereof. All obligations of each Assignor hereunder, if more than one, shall be joint and several.

15. This Assignment shall be governed by and construed in accordance with the laws of the State of California. The invalidity or unenforceability of any provision hereof shall not affect any other provision.

16. Time is strictly of the essence hereof and of any amendment or modification hereto.

17. This Assignment shall not create a security interest which requires possession of the property for perfection thereof, but shall be absolute, subject to a license reserved to Assignor as provided herein.

18. This Assignment may not be amended or modified except in writing signed by Assignor and Assignee.

IN WITNESS WHEREOF, this Assignment has been executed by Assignor as of the date first above written.

NORTH COAST CENTERS,
a California Limited Partnership

By: [Signature]
William P. Healey,
General Partner

By: [Signature]
Edwin F. Moore,
General Partner

By: [Signature]
William Keller,
General Partner

By: [Signature]
Gregory M. Daniels,
General Partner

Address: c/o Pacific Blue Group
1163 Coast Village Road
Suite 2
Santa Barbara, CA 93108

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STATE OF CALIFORNIA }
COUNTY OF Santa Barbara } ss.

On May 5, 1989, before me, the undersigned,
a Notary Public in and for said State, personally appeared
WILLIAM P. KEALTY, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person who executed the
within instrument as one of the general partners, on behalf of
NORTH COAST CENTERS, a California Limited Partnership, the
partnership therein named, and acknowledged to me that such
partnership executed the same.

WITNESS my hand and official seal.

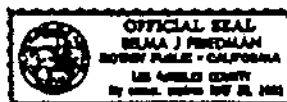


Becky Bolton
Notary Public in and for said State

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On May 8, 1989, before me, the undersigned,
a Notary Public in and for said State, personally appeared
EDWIN F. MOORE, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person who executed the
within instrument as one of the general partners, on behalf of
NORTH COAST CENTERS, a California Limited Partnership, the
partnership therein named, and acknowledged to me that such
partnership executed the same.

WITNESS my hand and official seal.



Selma J. Friedman
Notary Public in and for said State

GOVERNMENT CODE 27361.7

I CERTIFY UNDER THE PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY Becky Paltan

NAME OF COUNTY Santa Barbara

DATE COMMISSION EXPIRES June 1, 1990

DATED: May 11, 1989

SAN LUIS OBISPO, CALIFORNIA

TICOR TITLE INSURANCE COMPANY

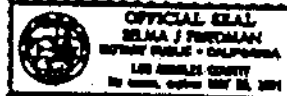
Jannine Palmer

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STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On MAY 8, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared WILLIAM KILLER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of NORTH COAST CENTERS, a California Limited Partnership, the partnership therein named, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



Selma J. Friedman
Notary Public in and for Said State

STATE OF CALIFORNIA }
COUNTY OF Santa Barbara } ss.

On May 5, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared GREGORY M. DANIELS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as one of the general partners, on behalf of NORTH COAST CENTERS, a California Limited Partnership, the partnership therein named, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



Robton Bolton
Notary Public in and for Said State

GOVERNMENT CODE 27361.7

I CERTIFY UNDER THE PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY Becky Bolton
NAME OF COUNTY Santa Barbara
DATE COMMISSION EXPIRES June 1, 1990

DATED: May 11, 1989
SAN LUIS OBISPO, CALIFORNIA

TICOR TITLE INSURANCE COMPANY
Jannine Palmer

VE 3315 PAGE 736

EXHIBIT "A"

(Legal Description)

PARCEL 1:

Parcels A and D of Map No. AG82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982 in Book 32, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

PARCEL 2:

The non-exclusive easements, rights and benefits created by that certain Declaration of Restrictions and Grant of Easements dated March 4, 1981 and recorded on March 10, 1981 as Document No. 10222 in the Official Records of the County Recorder of San Luis Obispo County pertaining to and over portions of the real property described as follows:

Parcel B and CC of Map No. AG-82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982, in Book 32, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

EXHIBIT "A"

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END OF DOCUMENT

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FIXTURE FILING

THE FINANCING STATEMENT is prepared for filing pursuant to the California Uniform Commercial Code.

1. DEBTOR NORTH COAST CENTERS, a California Limited Partnership		1a. DEBTOR'S COUNTY OR FOREIGN JURISDICTION 95-3770701	
1b. DEBTOR'S ADDRESS 278 Pacific Blvd Group 1165 Coast Village Road, Suite 2		1c. DEBTOR'S CITY Santa Barbara, California	
2. ADDITIONAL DEBTOR (if any)		2a. ADDITIONAL DEBTOR'S COUNTY OR FOREIGN JURISDICTION	
3. CREDITORS' ADDRESS		3a. CREDITORS' CITY	
4. CREDITORS' TRADE NAME OR OFFICE (if any)		4a. CREDITORS' COUNTY OR FOREIGN JURISDICTION	
5. SECURED PARTY THE CANADA LIFE ASSURANCE COMPANY 330 University Avenue Toronto Ontario CANADA M5G 1E5		5a. SECURED PARTY'S COUNTY OR FOREIGN JURISDICTION	
6. ADDRESS OF SECURED PARTY (if any)		6a. SECURED PARTY'S CITY	

7. This FINANCING STATEMENT covers the following types or items of property (include description of real property on which located and owner of record when required by instruction 6).

SEE EXHIBIT "A" AND EXHIBIT "B" ATTACHED
HEREIN AND INCORPORATED HEREIN BY REFERENCE.

7. CHECK IF APPLICABLE <input checked="" type="checkbox"/>	7a. PRODUCTS OF COLLATERAL AND ALSO COVERED <input type="checkbox"/>	7b. DEBTOR IS SUBSIDIARY NOT DISCLOSED IN ALPHABETICALLY ORDERED LISTING <input type="checkbox"/>
8. CHECK IF APPLICABLE <input checked="" type="checkbox"/>	8a. DEBTOR IS A "TRANSMITTING UTILITY" IN ACCORDANCE WITH UCC § 9-102 (1)(b) <input type="checkbox"/>	
9. SEE EXHIBIT "C" ATTACHED HEREIN AND INCORPORATED HEREIN BY REFERENCE.		
10. SIGNATURE OF DEBTOR		
11. RETURN COPY TO		
12. SIGNATURE OF CREDITOR		
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DOC. NO. 30304
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CA
MAY 18 1989
FRANCIS M. COONEY
County Clerk-Recorder
TIME 9:00 AM

VR 3315 738

EXHIBIT "A"

(Legal Description)

PARCEL 1:

Parcels A and D of Map No. AG82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982 in Book 32, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

PARCEL 2:

The non-exclusive easements, rights and benefits created by that certain Declaration of Restrictions and Grant of Easements dated March 4, 1981 and recorded on March 10, 1981 as Document No. 10222 in the Official Records of the County Recorder of San Luis Obispo County pertaining to and over portions of the real property described as follows:

Parcel B and CC of Map No. AG-82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, filed May 28, 1982, in Book 32, Page 21 of Parcel Maps in the Office of the County Recorder of said County.

EXHIBIT "A"

1377/608/C1470-808/04-14-89/mfo

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EXHIBIT "B" TO UCC-1

(Collateral)

All of the following described property, whether now or hereafter existing, and in which the Debtor now has or hereafter obtains any right, title, estate or interest:

A. All goods which are the property of Debtor and which are located on the real property described on Exhibit "A" which are used in the operation or occupancy of the real property or in any construction on that real property but which are not themselves a part of that real property, including but not limited to all appliances, furniture and furnishings, building service equipment such as space heaters, air conditioning units, internal and external plumbing and electrical apparatus, and building materials, supplies and equipment.

B. All general intangibles relating to the development or use of that real property, including but not limited to all governmental permits relating to construction in that real property, all names under or by which that real property or any improvements on that real property may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks and goodwill in any way relating to that real property.

C. All reserves, deferred payments, deposits, refunds, cost savings and payments of any kind relating to the construction of any improvements on that real property.

D. All water stock relating to that real property that is owned by the Debtor in common with others, and all documents of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of that real property.

E. All proceeds and claims arising on account of any damage to or taking of that real property or any improvements thereon or any part thereof, and all causes of action and recoveries for any loss or diminution in the value of that real property or any improvements and all rights of

EXHIBIT "B"
Page 1

1361/402/C1679-965/04-13-80/m6

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the Debtor under any policy or policies of insurance covering the property and all proceeds, loss payments and premium refunds which may become payable with respect to such insurance policies.

F. All plans and specifications prepared for construction of improvements on that real property and all studies, data and drawings relating thereto; and also all contracts and agreements of the Debtor relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings, or to the construction of improvements on that real property.

The execution of this Security Agreement shall not be construed to derogate or impair the lien or provisions of the Deed of Trust from Debtor to Secured Party encumbering that real property with respect to any property described therein which is real property or which the parties have agreed to treat as real property. The intention of the Debtor and Secured Party is that everything owned by the Debtor and used in connection with the production of income from that real property and located thereon, or adapted for use therein is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as, real property and part of the real property physically attached to the improvements thereon. Similarly, nothing in this Security Agreement shall be construed to alter any of the rights of Secured Party as determined by the Deed of Trust or the priority of the Secured Party's lien created thereby, and this Security Agreement is declared to be for the protection of Secured Party in the event any court shall at any time hold that notice of Secured Party's priority of interest in any property or interest described in the Deed of Trust must, in order to be effective against a particular class of persons including but not limited to the Federal Government, and any subdivisions or entity of the Federal Government, be filed in the Commercial Code records.

EXHIBIT "B"
Page 2

1361/408/C1678-068/04-13-89/mfs

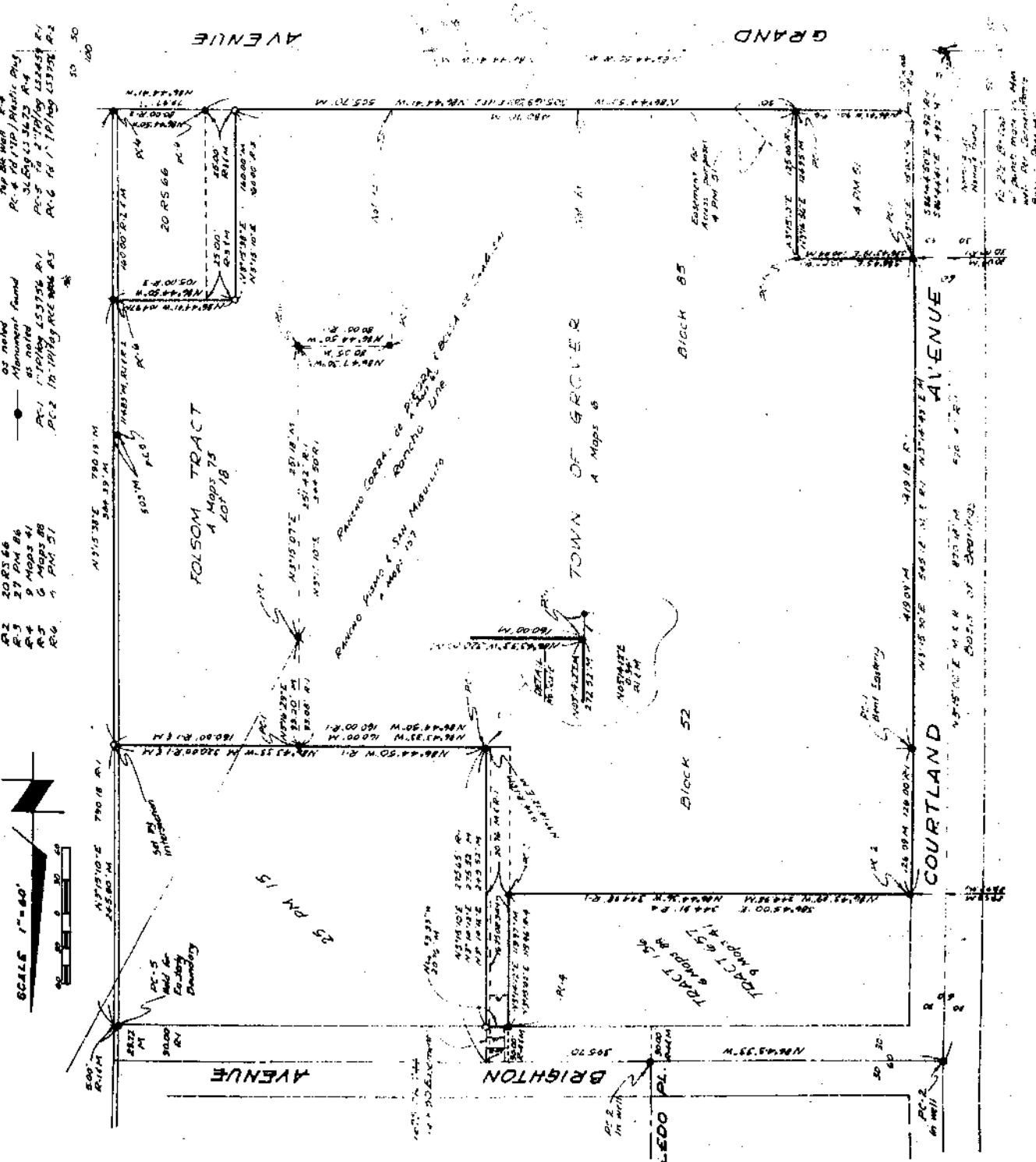
Vol 3315 Page 741

REFERENCES

- PC-1 10/23/72
- PC-2 10/23/72
- PC-3 10/23/72
- PC-4 10/23/72
- PC-5 10/23/72
- PC-6 10/23/72
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LEGEND

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- PC-100 10/23/72



SURVEYORS CERTIFICATE

This map correctly represents a survey made by me or under my direction in conformity with the requirements of the Land Surveyors Act of the State of California in August, 1979.

COUNTY SURVEYORS CERTIFICATE

This map has been examined for conformity with the requirements of the Land Surveyors Act of the State of California, 1979.

RECORDERS CERTIFICATE

This map was recorded in the County of San Luis Obispo, California, on August 1, 1979, at the request of Jerry L. Bowser.

RECORD OF SURVEY

A portion of Block 85; A portion of Block 52; and a portion of Brighton Ave. in the Town of Grover for A Maps 6 and 7. And a portion of Lot 18 of the Folsom Tract for B Maps 75, City of Arroyo Grande, County of San Luis Obispo, State of California.

J. L. BOWSER SURVEYS
J. L. Bowser, Surveyor
1979, and 1980

493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 841. 842. 843. 844. 845. 846. 847. 848. 849. 850. 851. 852. 853. 854. 855. 856. 857. 858. 859. 860. 861. 862. 863. 864. 865. 866. 867. 868. 869. 870. 871. 872. 873. 874. 875. 876. 877. 878. 879. 880. 881. 882. 883. 884. 885. 886. 887. 888. 889. 890. 891. 892. 893. 894. 895. 896. 897. 898. 899. 900. 901. 902. 903. 904. 905. 906. 907. 908. 909. 910. 911. 912. 913. 914. 915. 916. 917. 918. 919. 920. 921. 922. 923. 924. 925. 926. 927. 928. 929. 930. 931. 932. 933. 934. 935. 936. 937. 938. 939. 940. 941. 942. 943. 944. 945. 946. 947. 948. 949. 950. 951. 952. 953. 954. 955. 956. 957. 958. 959. 960. 961. 962. 963. 964. 965. 966. 967. 968. 969. 970. 971. 972. 973. 974. 975. 976. 977. 978. 979. 980. 981. 982. 983. 984. 985. 986. 987. 988. 989. 990. 991. 992. 993. 994. 995. 996. 997. 998. 999. 1000. 1001. 1002. 1003. 1004. 1005. 1006. 1007. 1008. 1009. 1010. 1011. 1012. 1013. 1014. 1015. 1016. 1017. 1018. 1019. 1020. 1021. 1022. 1023. 1024. 1025. 1026. 1027. 1028. 1029. 1030. 1031. 1032. 1033. 1034. 1035. 1036. 1037. 1038. 1039. 1040. 1041. 1042. 1043. 1044. 1045. 1046. 1047. 1048. 1049. 1050. 1051. 1052. 1053. 1054. 1055. 1056. 1057. 1058. 1059. 1060. 1061. 1062. 1063. 1064. 1065. 1066. 1067. 1068. 1069. 1070. 1071. 1072. 1073. 1074. 1075. 1076. 1077. 1078. 1079. 1080. 1081. 1082. 1083. 1084. 1085. 1086. 1087. 1088. 1089. 1090. 1091. 1092. 1093. 1094. 1095. 1096. 1097. 1098. 1099. 1100. 1101. 1102. 1103. 1104. 1105. 1106. 1107. 1108. 1109. 1110. 1111. 1112. 1113. 1114. 1115. 1116. 1117. 1118. 1119. 1120. 1121. 1122. 1123. 1124. 1125. 1126. 1127. 1128. 1129. 1130. 1131. 1132. 1133. 1134. 1135. 1136. 1137. 1138. 1139. 1140. 1141. 1142. 1143. 1144. 1145. 1146. 1147. 1148. 1149. 1150. 1151. 1152. 1153. 1154. 1155. 1156. 1157. 1158. 1159. 1160. 1161. 1162. 1163. 1164. 1165. 1166. 1167. 1168. 1169. 1170. 1171. 1172. 1173. 1174. 1175. 1176. 1177. 1178. 1179. 1180. 1181. 1182. 1183. 1184. 1185. 1186. 1187. 1188. 1189. 1190. 1191. 1192. 1193. 1194. 1195. 1196. 1197. 1198. 1199. 1200. 1201. 1202. 1203. 1204. 1205. 1206. 1207. 1208. 1209. 1210. 1211. 1212. 1213. 1214. 1215. 1216. 1217. 1218. 1219. 1220. 1221. 1222. 1223. 1224. 1225. 1226. 1227. 1228. 1229. 1230. 1231. 1232. 1233. 1234. 1235. 1236. 1237. 1238. 1239. 1240. 1241. 1242. 1243. 1244. 1245. 1246. 1247. 1248. 1249. 1250. 1251. 1252. 1253. 1254. 1255. 1256. 1257. 1258. 1259.

[illegible]

1. The first step is to identify the problem.
 2. The second step is to define the problem.
 3. The third step is to analyze the problem.
 4. The fourth step is to develop a solution.
 5. The fifth step is to implement the solution.
 6. The sixth step is to evaluate the solution.
 7. The seventh step is to monitor the solution.
 8. The eighth step is to maintain the solution.
 9. The ninth step is to improve the solution.
 10. The tenth step is to document the solution.



ALUMINUM CERTIFICATE

9-55A; 10/2/51. July 1952

L E NO 57
PETS ON 57
08-09
WINNIE
BURNED

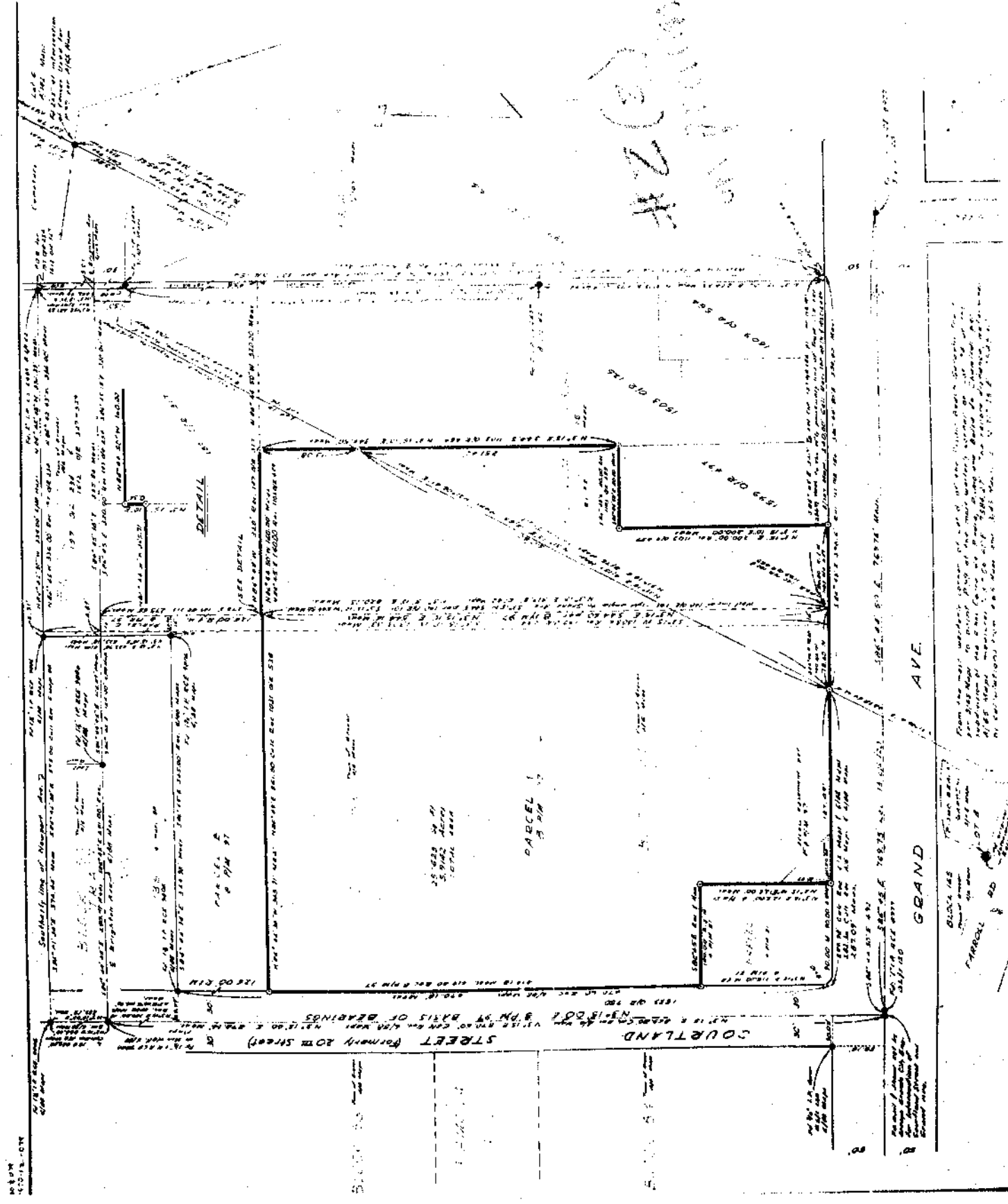
RECORD OF SURVEY

OF
a portion of Block 85 and a
portion of Block 32 and a
portion of Edmund Ave. in the
Town of Grover per A Map 5
and a portion of Lot 18 of the
Folium Tract per B Map 75, in
the City of Arroyo Grande,

Scale 1" = 60' May 1972

... the subject of the Niagara Canal.

GARING TAYLOR & ASSOC., INC.
Civil Engineers
Arroyo Grande, California
724-67



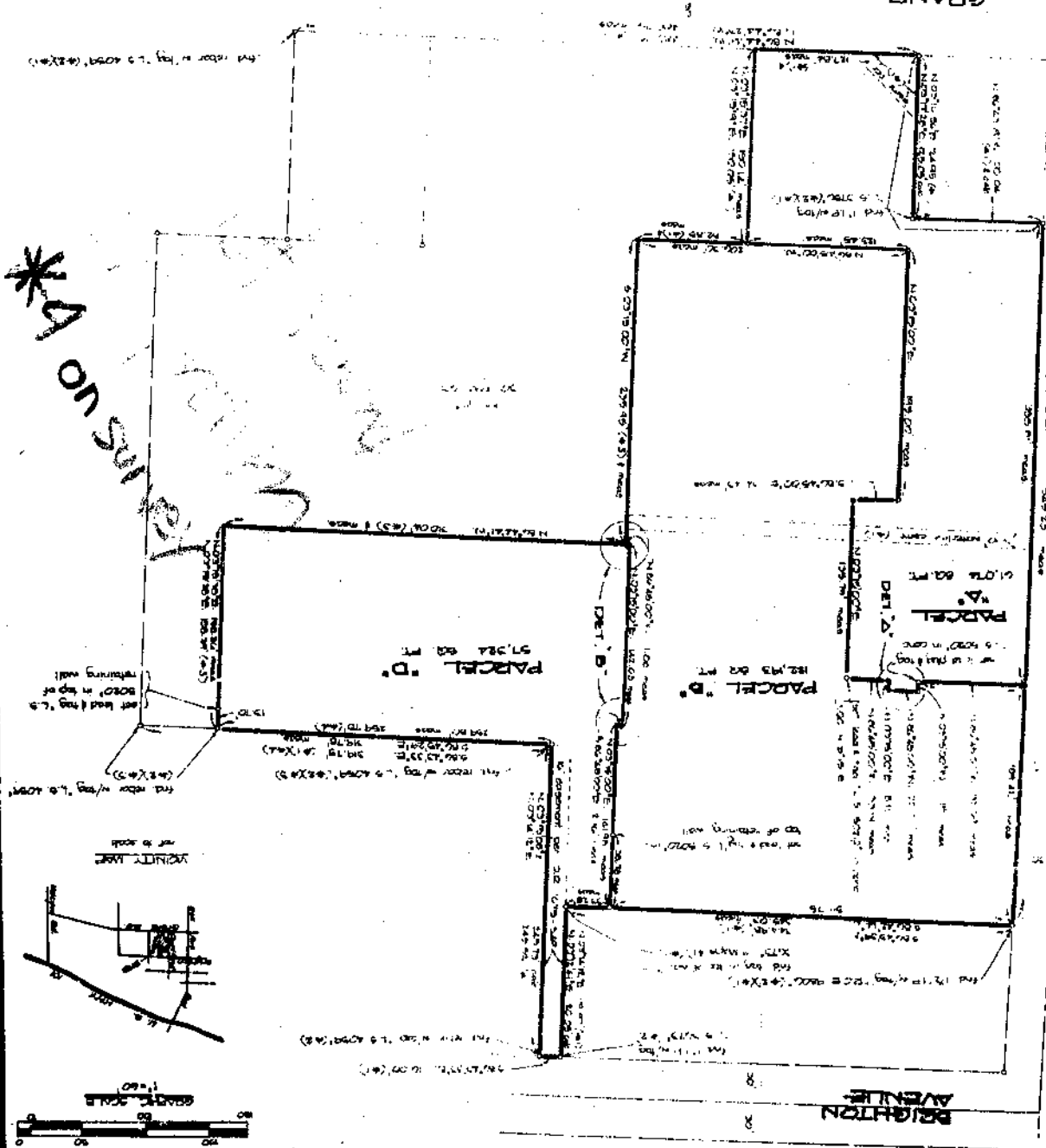
LOT LINE ADJUSTMENT
NO. 66 82-07
SHEET TWO OF TWO SHEETS

OF PARCELS "A", AND "B" OF LOT LINE ADJUSTMENT NO. 66 82-07 AS RECORDED IN PAGE 30-3 AND PARCEL "D" OF LOT LINE ADJUSTMENT NO. 66 82-07 AS RECORDED IN PAGE 30-3, BOTH IN THE OFFICE OF THE COUNTY RECORDER.

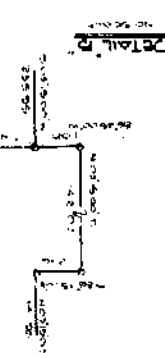
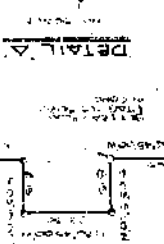
CITY OF ALBANY, COUNTY OF ALBANY
LUDWIG, STATE OF CALIFORNIA
MAY 1982
SCALE: 1"=60'

SHIMSON LAND SURVEYING, INC.
9440 WASHINGTON AVE.
SANTA CLAY, CALIF. 95071
957-0071

NOTES: REVISIONS TO THIS PLAN ARE SUBJECT TO THE SIGNATURE AND SEALS AND NOT TO BE USED FOR RECORDATION OR RECORDATION OF DEEDS, EASEMENTS, OR OTHER INSTRUMENTS. THE SIGNATURE AND SEALS OF PROFESSIONAL SURVEYORS ARE REQUIRED FOR RECORDATION OF DEEDS, EASEMENTS, OR OTHER INSTRUMENTS. THE SIGNATURE AND SEALS OF PROFESSIONAL SURVEYORS ARE REQUIRED FOR RECORDATION OF DEEDS, EASEMENTS, OR OTHER INSTRUMENTS.



on subject



ALSO ONE OF TWO

**Lucky Stores, Inc., A
California Corporation**

U.S. District Court
Southern District of New York

Section 101

Arroyo Partners, A California
Limited Partnership.
By: Central Coast Shopping
Centers, Inc., A California
Corporation who is General
Partner of Arroyo Partners

State of California } ss.

[illegible]

B. D. O.
History Publicist and for sand
County and State

State of California } ss.
County of San Luis Obispo

STATE OF NEW YORK
IN SENATE
JANUARY 9, 1867.

REPORT

OF THE COMMISSIONERS OF THE LAND OFFICE,

FOR THE YEAR ENDING DECEMBER 31, 1866.

ALBANY:

PUBLISHED BY A. D. WICKES,
PRINTER TO THE SENATE.
1867.

RECEIVED BY HAND AND OFFICIAL SEAL

André-Johnson
 Helping Public Overcome
 Scarcity and Hoarding



NO. AG. 82-107

WASSER
HARRISON LAND SURVEYING, INC.
2510 WANDERER AVE.
SANTA ANA, CALIF. 92701 805-947-0001

EMPLOYMENT HOLDERS
 LISTED THE PROXIES OF SECTION 1361(a)(2) OF THE GOVERNMENT CODE
 THE OWNERS OF THE FOLLOWING NAMED HOLDERS OF EMPLOYMENT HAVE
 BEEN LISTED:

ASSIGNED C. BROWN AND MIDDLE PROXIES BROWN, B. DODD
 DODD, IN 1992, 1993, PAGE 34, OF OFFICIAL RECORDS

LEADS - HOLLYWOOD
 UNDER THE PROVISIONS OF SECTION 146(a) OF THE GOVERNMENT CODE THE SIGNATURES OF THE FOLLOWING NAMED LEADERSHIP HAS BEEN OBTAINED AS THEIR INTEREST CONCERNED WITH A SPECIFIC MOBILITY MATTERS AND LOCAL ASSOCI., A CALIFORNIA CODE, LEADERS BY CODE RECORDED IN BOOK 150, PAGE 304 AND BOOK 150C, PAGE 306 BOTH OF OFFICIAL RECORDED.

RESEARCH AND DEVELOPMENT OF CROCODILE SKIN PRODUCTS BY THE
CROCODILE RESEARCH AND DEVELOPMENT CENTER, UNIVERSITY OF
SOUTH ALABAMA, MOBILE, ALABAMA 36688-0001

BOARD OF AMERICA NATIONAL TRUST AND SHARED ASSET., A NATIONAL
FOUNDED ASSET., BY DEED RECORDED IN BOOK 1300, PAGE 584 OF
COUNTY RECORDS, CLACK COUNTY, MISSOURI.

TO: DIRECTOR, FBI
FROM: SAC, NEW YORK (100-100000)
SUBJECT: [REDACTED]
RE: [REDACTED]

1000

This map was prepared by us or under my direction and is based upon a field survey in conformity with the requirements of the Subdivision Map Act at the request of OAKS COMMUNITY, INC. MAY 1962. I hereby state that the parcel map procedures of the local agency have been complied with and that this parcel map and the conditions of approval thereof which are required to be fulfilled prior to the filing of the parcel map.



Russell B. Scovill
RUSSELL B. SCOVILL
1-2-5080

This map conforms with the requirements of the Subdivision Map Act and local ordinance.

Date: 5-26-68

Filed this 20 day of MAY 1988
at 8:01 a.m. in Book 36 of Parcel Maps
at Page 41, at the request of Russell
Scott, *William F. Tomlin*

Doc. No.: 22357 County Recorder
 Rec Paid: \$9.00 By: Spencer Cummings
 Deputy

I hereby certify that this map of Lot Line Adjustment No. AG 01-07 substantially conforms to the Preliminary map thereof approved by the Planning Commission of the City of

Date: 5-26-87. Neal D. Thompson
Secretary, Planning Commis-
sion, City of Arroyo Grande,
California.

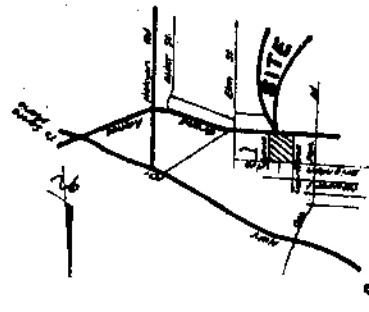
I do hereby certify that the City Council of
 Arroyo Grande, State of California, did, on
March 25, 1987, approve this map of Lot
Line Adjustment No. AG 88-871 in accordance
 with the provisions of the Subdivision Map Act.

Date: May 26, 1972 Clerdy, Danton
City Clerk of the City of
Arroyo Grande, California



LEGEND

- Property Boundary
- Lot Lines (Adjusted)
- Boundaries as noted
- Monuments found on site
- 30 2.5 74
- 30 45 78
- R-1

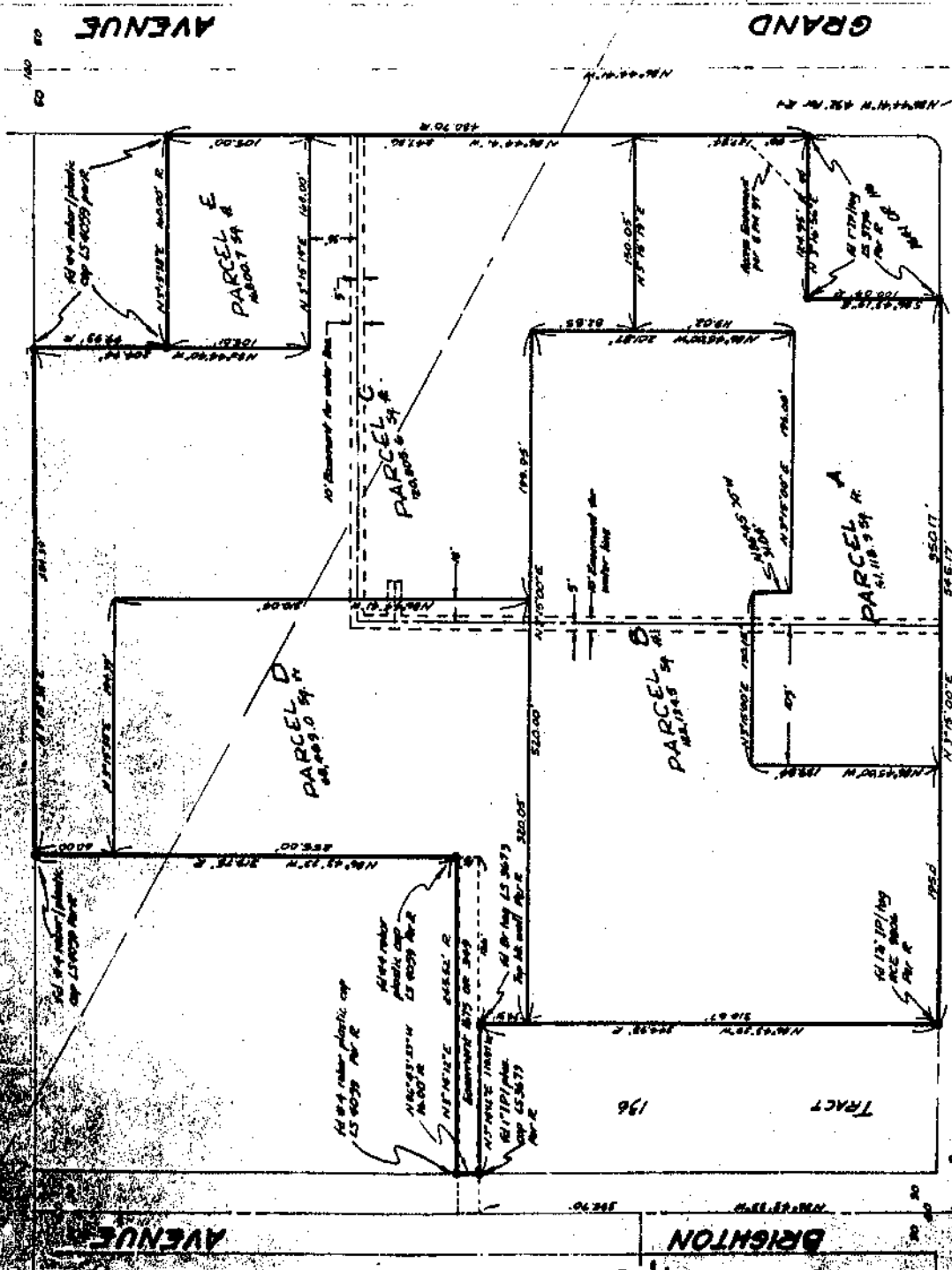


VICINITY MAP
No Scale

#2642
on prelim

LOT LINE ADJUSTMENT NO. A.G. 80-44

OF A PORTION OF BLOCK 65, A PORTION OF BLOCK 52, AND A PORTION OF RAMONA AVENUE IN THE TOWN OF GROVER PER MAPS 6
A PORTION OF LOT 13 OF THE ALBION TRACT PER MAPS 7
CITY OF GROVER GRANDE
COUNTY OF SAN JUAN DEL RIO
STATE OF CALIFORNIA



STREET

COURTLAND

(Formerly 20TH ST.)

10' easement for water line
10' easement for sewer line
10' easement for water line
10' easement for sewer line

J.L. BOWLER SURVEY
100 Westwood Drive
San Jose, California 95128
(408) 431-1887

LEGEND

Boundary of water front
Subdivision Survey Map No. 107
Proposed Parcel Map

SURVEYOR'S CERTIFICATE

This map was prepared by me or under my direction and was compiled from recent reliable information and is in accordance with the requirements of the SUBDIVISION MAP ACT of the Republic of the Philippines. I hereby certify that I am a duly licensed Surveyor and that the map is a true and correct representation of the actual survey made and the conditions of the ground shown thereon. I am not aware of any other person claiming an interest in the land shown on this map.



CITY ENGINEERS CERTIFICATE

This map has been approved by the City Engineer of the City of San Francisco, California, for its compliance with the requirements of SECTION 11575 of the SUBDIVISION MAP ACT.

City Engineer
Ramon L. Tizon

RECORDERS CERTIFICATE

This map was recorded in Book 11, Page 11, of the records of the County of San Francisco, California, on the 11th day of May, 1917, and is a true and correct copy of the original map as recorded.

Recorder
J. H. G. G. G.

PARCEL MAP

NO. AG-72-95

OF THE DIVISION OF

PARCEL 2, PARCEL MAP NO. 107

Being a subdivision of a portion of Block 85 in the Town of San Francisco, California, and is a true and correct copy of the original map as recorded in Book 11, Page 11, of the records of the County of San Francisco, California, on the 11th day of May, 1917.

COUNTY OF SAN FRANCISCO

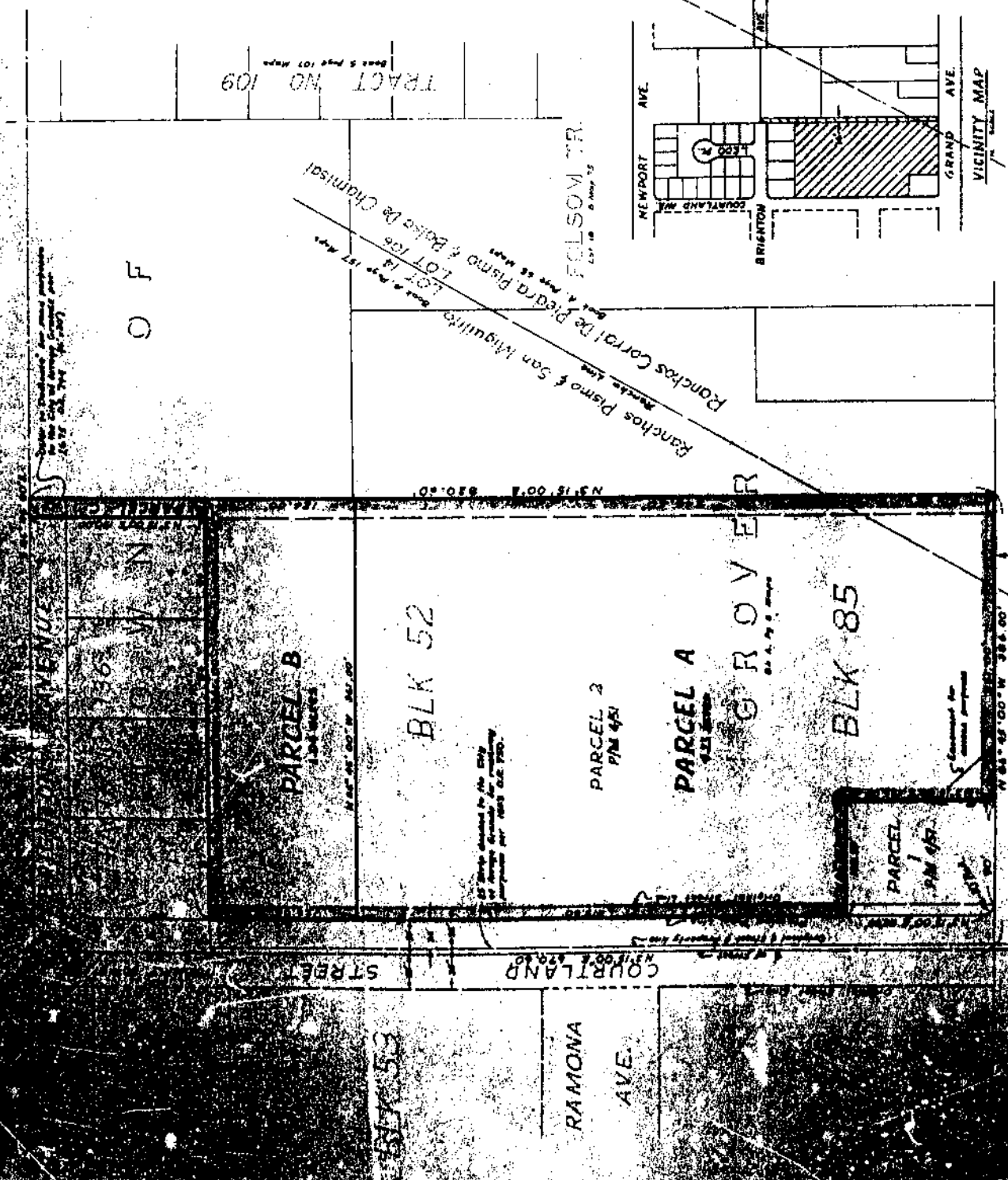
Scale: 1" = 60'

Approved by the Board of Supervisors

GARLAND TAYLOR

Civil Engineer

Approved by the Board of Supervisors



NOTE: This is a map prepared from the original map of the City of San Francisco, California, and is a true and correct copy of the original map as recorded in Book 11, Page 11, of the records of the County of San Francisco, California, on the 11th day of May, 1917. The map is a true and correct copy of the original map as recorded in Book 11, Page 11, of the records of the County of San Francisco, California, on the 11th day of May, 1917. The map is a true and correct copy of the original map as recorded in Book 11, Page 11, of the records of the County of San Francisco, California, on the 11th day of May, 1917.

51

PM 4

LEGEND

- Boundary of entire Parcel.
- Interior Lot Part lines.
- Monuments as noted.

SURVEYOR'S CERTIFICATE

This map was prepared by me or under my direction and was compiled from reports made and based on a full survey in accordance with the requirements of the SUBDIVISION MAP ACT at the request of J.D. JONES, in Block 632, hereby certify that it conforms to the approved tentative map and the conditions of the approved tentative map and the conditions of the law and local regulations have been complied with.

J.D. JONES
Surveyor



CITY ENGINEER'S CERTIFICATE

This map has been examined this 17 day of February 1920, for compliance with the requirements of SECTION 11579 of the SUBDIVISION MAP ACT.

J.D. JONES
City Engineer

RECORDER'S CERTIFICATE

This map was filed on the 17 day of February 1920, in Book 1 of Pages 100, in the request of J.D. JONES, P.C.E. 10110, Fee Paid \$1.00.



PARCEL MAP

NO. AG-70-1
OF THE DIVISION OF

BLK'S 52 & 53 Town Of Carson
LOT 106 of the subdivision of parts of the Block Corner of Block 52 & 53 in the CITY OF ANAHEIM, CALIF. COUNTY OF SAN LUIS OBISPO, OF THE State of California.
Scale: 1" = 50' January 1920

GARDNER TAYLOR & ASSOCIATES, INC.
Civil Engineers
Orange County, California

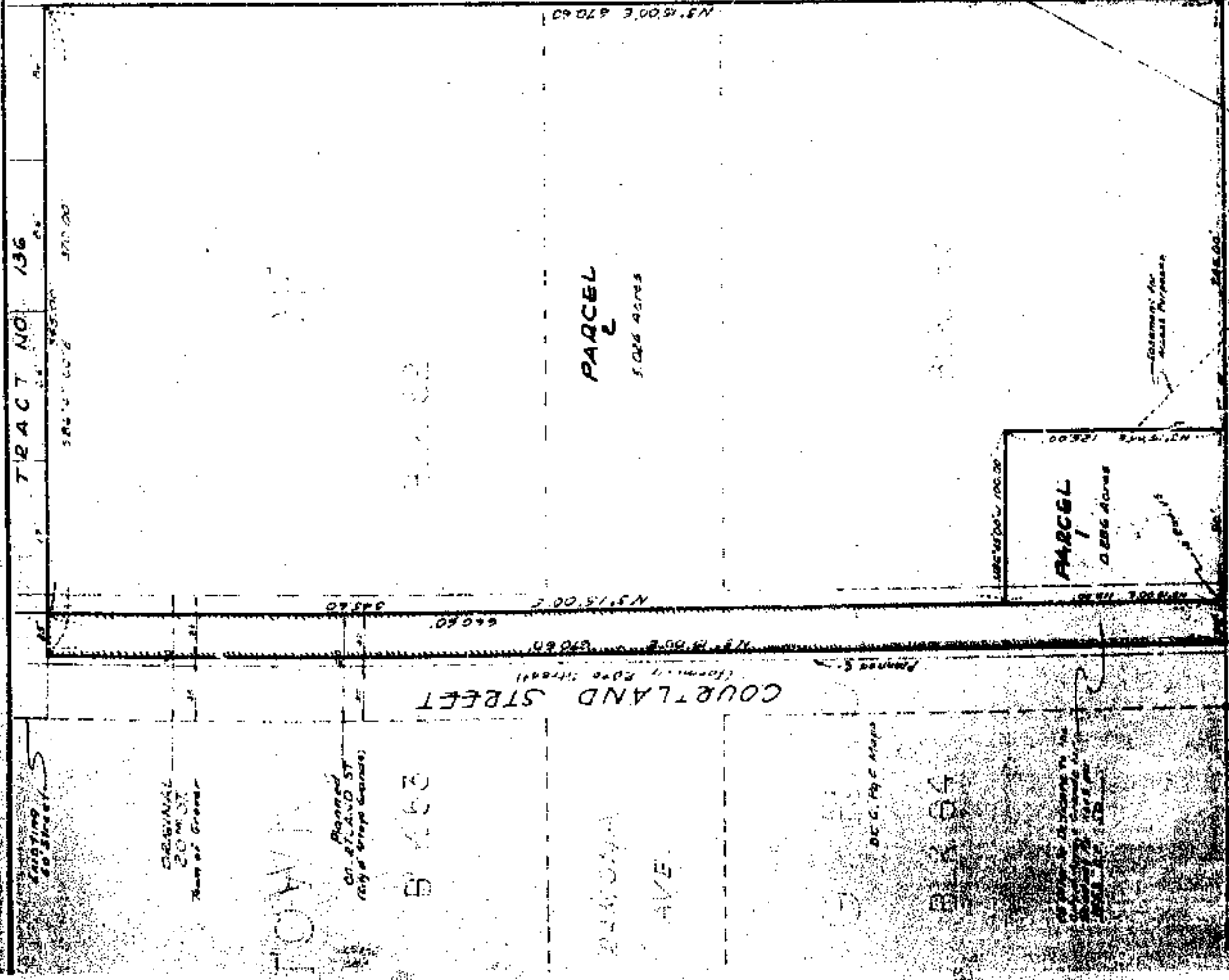
#2 (1)
on p. 106



LOT 106

AVE.

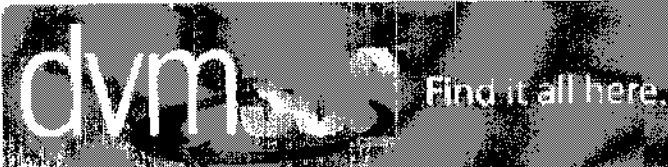
GRAND



Laser therapy symposium

CVC East in Washington, DC
Friday, April 27

Understanding the Technology
Treatment Guides and Techniques
Everyday Applications and Procedures



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Is it a repair, or a capital expense?

IRS helps clarify whether costs can be deducted now or depreciated over years

Jul 1, 2008
By: Mark E. Battersby
DVM NEWSMAGAZINE



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In this age of disposables, many veterinary practices still pay substantial sums for repairs and maintenance. However, instead of allowing immediate tax deductions, the Internal Revenue Service increasingly is labeling repair and maintenance expenses as "capital improvements," making them recoverable only through depreciation spread over a number of years.

It often seems that the IRS is the only entity able to tell the difference between a currently deductible maintenance expense and a long-term capital expenditure, but some newly released IRS guidelines may help clear the confusion.

One school of thought has been that any legitimate business expense that does not create an asset or benefit the practice for more than a year is immediately deductible. Examples might include normal inspection, cleaning and testing of equipment. The replacement of parts with comparable, commercially available ones would seem to be routine maintenance.

But in the eyes of the IRS, such expenditures all too often are considered capital improvements. The IRS says basically that any expenditure that contributes to prolonging the life of equipment, or any practice property, is a capital expense.

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While lawmakers created the deduction for repairs and upkeep, the IRS is tasked with determining what expenditures qualify.

Capital means permanent — to some

A simple fix or capital expense?

The Internal Revenue Service has issued example guidelines for capital expenditures.

Some troubles test whether an asset is damaged or improved. For instance, if a building is damaged by fire and the owner repairs it, the repairs are capital expenditures. If the owner replaces a roof, the new roof is a capital expenditure. If the owner replaces a roof and the old roof was damaged, the repairs are capital expenditures. If the owner replaces a roof and the old roof was not damaged, the repairs are not capital expenditures.

For example, if a roof is damaged by fire, the repairs are capital expenditures. If the owner replaces a roof and the old roof was damaged, the repairs are capital expenditures. If the owner replaces a roof and the old roof was not damaged, the repairs are not capital expenditures.

A simple fix or capital expense?

Whether it's a deductible repair or a capital improvement often depends on the context. For instance, if an expenditure is part of a general plan of rehabilitation, modernization or improvement to equipment or other business property, it usually must be capitalized, even though by itself it would be currently deductible.

Planning not always a capital expense

Most courts in the past ruled that ordinary repairs made at the same time as capital improvements were capital expenditures. They often drew an analogy between constructing a new building and refurbishing an older one, reasoning that, during building construction, costs of carting away trash, painting windows or even washing windows could not realistically be separated from other building costs and therefore must be capitalized.

Repair work done as part of an overall program of rehabilitation and conditioning should, according to at least one court, be treated as a cost of acquiring a lease with a new tenant and must be capitalized. It's been called the "rehabilitation doctrine," and when invoked the distinction between repairs and capital improvements may disappear when such expenditures combine to change an asset's use, value or life.

New safe-harbor guidelines

Under one newly created safe harbor, however, maintenance performed on equipment or practice property generally is not considered as improving that unit of property (and, therefore, would be currently deductible).

Routine maintenance would include recurring activities that a practice principal or manager expects to perform to keep something in ordinarily efficient operating condition.

The newly proposed IRS rules allow repairs made at the same time as an improvement, but which do not directly benefit it or which were made strictly because of the improvement, to be deductible as repairs.

Capital expenditures include those for building improvements or other long-term betterments, new equipment, architect's fees — even the cost of defending or perfecting title to property.

Generally, a capital expenditure either adds an asset or increases the value of an existing one. In other words, the amounts paid to acquire new property for resale, such as inventory, or to keep for one or more years, are capital expenditures. That also includes whatever a practitioner pays to improve existing equipment or property.



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Using an IRS example, a company owning several trucks might decide to replace the engines and beds with new components. The cost would have to be capitalized because it is for "restoration" purposes. Should the company decide to paint the truck cabs and replace a broken tail light (both would be repair costs if made separately) at the same time the new components are installed, the painting would be a capital expenditure. But the company could currently deduct the cost of repairing the broken tail light because it does not directly benefit, and is not incurred, because of the truck restoration.

Another proposed safe harbor is designed to virtually guarantee the immediate deduction of repairs and maintenance. It applies if, at the time the equipment or property was placed in service, the veterinary practice reasonably expected to perform the activities more than once during the life of the equipment or property.

In other words, whether an expense is "routine maintenance" would depend on factors such as the recurring nature of the activity, industry practice, manufacturers' recommendations, the taxpayer's experience and the taxpayer's treatment of the activity on its applicable financial statements.

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Arroyo Town and Country

CC&R's

Senna Insurance

1. Prohibited Uses- General Office except for Real Estate or Insurance. Primary use is insurance, secondary is services- faxing and coping. I deleted the "general office use" from lease. Should I include the secondary use?

Gibson BBQ- Alcohol Sales

CCR- Center only allows One (1) restaurant, not to exceed 4000 sq ft for onsite consumption. Round Table Pizza is 6969 sq ft. Can argue arcade area not part of restaurant.

Gibson is 1800 sq ft and selling Beer and Wine. – Clear Violation of current CC&R.

From: Susan Pazdan
Sent: Tuesday, October 30, 2007 3:38 PM
To: fred.corbalis@swcglaw.com
Cc: Eileen Dickey
Subject: Review CC&R's for Gary Grossman

Importance: High

Good Afternoon Fred,

Gary Grossman would like for you to review and comment on the attached current CC&R's for the commercial property located at Arroyo Town & Country Square Shopping Center. Gary's parcel is "1" originally parcel A & B. These are the following questions regarding the CC&R's.

- Does the managing owner have to get approval from the other owners for capital improvements?
- Is there a limit that the managing owner can spend without approval?
- Does the managing owner provide all common area maintenance?
- To make a change in the CC&R's regarding operation and common area maintenance. Does that need a 100% approval by the owners?
- If Gary wants to become the managing owner. What would be the process?

I look forward to your response and Thank you in advance to your attention to this matter.

Best regards,

Susan Pazdan
JPB Commercial
P.O. Box 429
Santa Maria, CA 93456
(805) 614-9799 ext 203
(805) 614-4399 fax
(805) 431-2464 cell
www.susan@jpbcommercial.com

Arroyo Grande Town and Country-Management Issue

Date: May 27, 2008

Time: 11:00 am

Conference Call: Bill Brace, Anna L from Investec, Fred Corbalis and Eileen Dickey

1. Investec managed center since purchased- 7/1995
2. Never thought they would be removed
3. Chuck Logue and Dennis Peterson served notices.
4. Notices were sent under the CCR Right to Manage, NOT to Show Cause
5. Investec had belief they were going to resume management after term.
6. Anna had on her Outlook Calendar to send Notices etc.
7. Per Anna, she felt it was a one time right under the Undertaking Verbaige in the CC&R and Parcel D would have an indefinite Period for management.
8. Investec worked with Ron Olson to amend the CC&Rs for usage.
9. I inquired if they remember getting any notices from the city when Johan modified his building. If a permit is being issued, they usually contact the neighbors. Bill did not remember.

Bill was very clear Investec had full intentions of taking Management Back as their right prior to them selling the center.

Per Fred, Johan's attorney and the original attorney who wrote the CC&R's referred to the center's history and the CCR;s intentions. Per Bill Brace and Fred, Investec is part of the history and it is contrary to what they presented.

Eileen Dickey

Eileen Dickey

From: Marti Furman <martif@dapentinc.com>
Sent: Wednesday, April 11, 2012 10:39 AM
To: LaderaProperties805@gmail.com; A.G. Davi, Attn: Edward; Applebee's; Eileen Dickey; Karan Pohl, Coast National Bank
Cc: Dennis Peterson
Subject: TENANT NOTIFICATION of PARKING LOT REPAIRS & PAVING

Hello Everyone.

The repair, paving and striping job for the parking lot (front and rear) has been officially scheduled for May 7 to May 11, 2012. Please immediately notify each of your tenants.

Per the "Declaration of Restrictions and Grant of Easements" the owner of Parcel 2 (D) has the responsibility of performing "reasonable maintenance" and is charged with the responsibility of keeping the common areas in good repair and safe order. As a result, Toste Construction has been hired to perform the parking lot asphalt repairs and maintenance for a total expense of \$68,525.00

Each owner of the Arroyo Town Center property is responsible for their percentage payment (amounts sent out last month) immediately, unless their checks have already been received in The Laurel Company offices.

Please notify each of your tenants that this work will take place and access to the front and rear of their stores will be affected on these dates.

Should the weather prohibit the work from being completed, it most likely will be rescheduled for the following week.

I have provided a 30 day notice for you and your tenants and this should be ample time to provide the required funds.

Thank you in advance for your cooperation in making these repairs a success for everyone.

Sincerely,

Marti

Marti Furman, Broker
Commercial Property Manager
CA Broker License #01292786
The Laurel Company
146 E. Carrillo Street
Santa Barbara, CA 93101
CA Broker License #00753419
martif@dapentinc.com
(805) 963-5945 Office
(805) 564-8632 Fax

Eileen Dickey

From: Eileen Dickey
Sent: Wednesday, April 18, 2012 11:14 AM
To: 'Marti Furman'; LaderaProperties805@gmail.com; A.G. Davi, Attn: Edward; Applebee's; Karan Pohl, Coast National Bank
Cc: Dennis Peterson
Subject: RE: TENANT NOTIFICATION of PARKING LOT REPAIRS & PAVING

Hi Marti,

At this point, we don't plan to participate in the capital improvements. As per my previous email, we will approve only hazardous areas, not the entire center. We provided a quote for repairs only and requested for you to ask Toste Construction for a revised bid.

Per your email dated March 13, 2012, you reiterated that management needed 100% participation to proceed. What change? Please provide the documentation which allows this circumvention of our approval for capital repairs/improvement. We differ on opinion what is maintenance vs capital repairs/improvements. We would reconsider our position, if all owners plan to improve their exterior buildings which includes the repair of dry rot and painting as appropriate maintenance. Has the manager address these issues?

Thank you,

Eileen Dickey
VP, Finance/Broker
Inland Pacific Builders, Inc.
IPB Commercial/Properties
DRE #01323316
Office (805) 556-3060 Ext 233

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From: Marti Furman [<mailto:martif@dapentinc.com>]
Sent: Wednesday, April 11, 2012 10:39 AM
To: LaderaProperties805@gmail.com; A.G. Davi, Attn: Edward; Applebee's; Eileen Dickey; Karan Pohl, Coast National Bank
Cc: Dennis Peterson
Subject: TENANT NOTIFICATION of PARKING LOT REPAIRS & PAVING

Hello Everyone.

The repair, paving and striping job for the parking lot (front and rear) has been officially scheduled for May 7 to May 11, 2012. Please immediately notify each of your tenants.

Per the "Declaration of Restrictions and Grant of Easements" the owner of Parcel 2 (D) has the responsibility of performing "reasonable maintenance" and is charged with the responsibility of keeping the common areas in good repair and safe order. As a result, Toste Construction has been hired to perform the parking lot asphalt repairs and maintenance for a total expense of \$68,525.00

Each owner of the Arroyo Town Center property is responsible for their percentage payment (amounts sent out last month) immediately, unless their checks have already been received in The Laurel Company offices.

Eileen Dickey

From: Marti Furman <martif@dapentinc.com>
Sent: Tuesday, March 13, 2012 11:50 AM
To: A.G. Davi, Attn: Edward; Applebee's; Eileen Dickey; Karan Pohl, Coast National Bank
Cc: kpohl@coastnationalbank.com; Johan & Pamela Scharin & Mays
Subject: FW: Parking Lot Approval

Please see the response below.

Marti

Marti Furman, Broker
Commercial Property Manager
CA Broker License #01292786
The Laurel Company
146 E. Carrillo Street
Santa Barbara, CA 93101
CA Broker License #00753419
martif@dapentinc.com
(805) 963-5945 Office
(805) 564-8632 Fax

From: Marti Furman
Sent: Tuesday, March 13, 2012 11:49 AM
To: 'Eileen Dickey'
Subject: RE: Parking Lot Approval

Eileen,

As stated before, we believe the 2 bids submitted represent the MINIMUM work REQUIRED to maintain and to avoid a MAJOR replacement of the parking lot's base on a very near date costing at least 4 times the expense.

Most all the other property owner's have given approval for the Toste Construction work to begin and have agreed to submit their checks on or before April 1, 2011.

Other options are not currently available.

Please ask your owner to reconsider.

Thanks,

Marti

Marti Furman, Broker
Commercial Property Manager
CA Broker License #01292786
The Laurel Company
146 E. Carrillo Street
Santa Barbara, CA 93101
CA Broker License #00753419
martif@dapentinc.com
(805) 963-5945 Office
(805) 564-8632 Fax

From: Eileen Dickey [<mailto:eileen@ipbcommercial.com>]
Sent: Tuesday, March 13, 2012 11:40 AM
To: Marti Furman; A.G. Davi, Attn: Edward; Applebee's; kpohl
Subject: RE: Parking Lot Approval

Hi Marti,

We are formally requesting a repair on hazardous areas vs the entire parking lot. Per my email on 3/9/12, I requested if owners can have options from an additional bid from Toste or review Golden State Bid for \$13,000. Again I did not give Golden State any scope of work or request this bid so I don't know if this bid addresses the hazardous areas.

Thank you,

Eileen Dickey
VP, Finance/Broker
Inland Pacific Builders, Inc.
IPB Commercial/Properties
DRE #01323316
Office (805) 556-3060 Ext 233

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From: Marti Furman [<mailto:martif@dapentinc.com>]
Sent: Tuesday, March 13, 2012 8:19 AM
To: A.G. Davi, Attn: Edward; Applebee's; Eileen Dickey; kpohl
Subject: Parking Lot Approval

Hello Everyone,

Please forward your approval letters for the parking lot asphalt repairs ASAP.

I have received some of them, but am missing a few.

We will need 100% participation in order to move forward with the work in the hopes of avoiding a complete asphalt replacement in the near future.

Thank you,

Marti

Marti Furman, Broker
Commercial Property Manager
CA Broker License #01292786
The Laurel Company
146 E. Carrillo Street
Santa Barbara, CA 93101
CA Broker License #00753419
martif@dapentinc.com
(805) 963-5945 Office
(805) 564-8632 Fax

#1 THOMAS Fitzpatrick - known as TJ
ATC CCR's

4/20/08 - LH for Office (303) 690-4335
Call (303) 378-7423
Colorado Time - [T Fitzpatrick@applegrape.com]

4/21/08 - Spoke with T.J. Requested Summary
& Letter be emailed to him. ED

4/24/08 - TJ called. Wants to notify John
I told him I would call back.

4/25/08 - Emails to Fred TJ Gary. We will
Send Notification to owners. So John
will respond.

4/26/08 (A) TJ Gary. I voiced Fred's concern &
waiting for David King Draft. Gary
started to proceed with Notification

(B) ED to verify exact produce & drop date
of management take over.

Effective:

No less than 3 years.

60 Day Notice to Manager & all other Parcel Owners
& Tenants of Parcel D & C

A) include Written Undertaking of Manager
Successor, Acknowledge by each Successor -

2

CC&S Continue

shall faithfully & fully observe, perform
& discharge each & every duty & obligation
of Manager

① Susan - Pull out previous Notification to
Determine exact Date of Johan takeover.

② There is NO Expiration - We just need
to give 60 Days Notice.

A. Susan stated attorneys informed
her 3yrs ~~for~~ from 66. Acquisition?

4/26/88 ③ Continued - ① Called T.J. to inform we will
Send out not. fications

② Ask for Bill Ferguson phone # _____
for Fred.

④ Waiting on Draft letter from David.

⑤ Pay for Susan - Copy of Actual Recorded Agreement
Rec Since Day. This agreement
effective 4/28/84 terminate 4/28/86.

① Need to continue Research for Johan's
paperwork.

② Email to Attorneys & Susan

4/29/08 - TT Fred

A. Agree - We don't have to wait 3 years for ownership. Miss Communication.

B. Serve 60 Day Notice.

C. Breach of Agreement - Parcel "B" + ended 4/28/06.

1. We were never served by John to start a new Management Agreement.

2. Elly worked under "B" umbrella the 3 years + contract expired.

3. Per Fred: Elly John assumed Management. We accepted by actions the Judge will rule effective 4/28/09. Fred agreed. But it is an argument, however still a win.

4. "E. So do we send Notices out? a Notice of Clarification."

Per GG + My Opinion

1. Send Out Notice of Clarification

2. Management will continue under "John's IMPLIED Contract"



Dec Reformed-76 Reconfir Management

Dr. Stump Love

1996 Investor
 1997 Investor
 1998 Investor
 1999 Investor
2000
2000
 2002

Principal
 Paydon / R
 30,000 job

4/24 Laurel Camp. - Invest Conflict with
 4/24 Response - 4/26 - "Admits" 2 - Admits
 Investment was Former Property Manager
 5/16 - Slurry scheduled for prior to you
 ASSUMING MAINTENANCE of (Other
AREA

6/1/05

~~AC9~~

4/25/05

4/24 Email - 4/25/ + 4/25 Management Discussed
 with John Wood

4/13 Doc sent to John - CC+R for Brian
 Management Agreement Needed for Name

5/17 ~~Investor~~ Investor responds to our title request to
 remove #13 - Management L back - Answer NA
 5/24 John sent updated title - #10 now

MEMORANDUM

TO: GARY H. GROSSMAN
FROM: FRED F. CORBALIS III
RE: ARROYO GRANDE SELF HELP REMEDIES
DATE: MAY 29, 2008

QUESTION: CAN INLAND PACIFIC MAKE CERTAIN REPAIRS TO THE COMMON AREA OF ITS OWN ACCORD PURSUANT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS?

ANSWER:

- The answer is yes. Paragraph 4 as set forth on 9 of the Declaration of Restrictions and Grant of Easement of Easements states:

If the Manager shall fail to so maintain the Common Area or to provide such insurance, then any other owner, or the tenant of the Building Area located on Parcel B of the Shopping Center and/or the tenant of the Building Area located on Parcel C of the Shopping Center, may do so, and the curing owner or tenant may then bill the Manager for the expense incurred. If the Manager shall not pay not pay said bill within fifteen (15) days, the curing owner or tenant(s) shall have a lien on the property of the Manager for the amount of said bill, which amount shall bear interest at the rate of ten percent (10%) per annum until paid.
- So with respect to the Common Area, if it is not kept in "good repair and clean condition" then the self-help remedy is available.
- There is not a specific provision regarding notice. However, Paragraph 2 on page 6 and continuing on page 7 provides that an owner shall pay taxes and assessments when due, and if another owner cures such delinquency, the defaulting owner shall pay the delinquency within fifteen days of the bill. Paragraph 4 on page 9 provides that an owner shall pay the Manager amounts owed within thirty days after receipt of such statement. Therefore, it would be advisable to provide thirty-day notice before engaging in the self-help remedy.
- Paragraph 4 on page 9 also provides that the curing owner shall have a lien on the property of the Manager for the amount of the bill incurred for curing the default. Details regarding the enforcement of the lien are set forth in Paragraph 9 on page 17. A claim of lien may be recorded against the defaulting owner and shall be a signed verified statement containing:

TO: Gary H. Grossman
FROM: Fred F. Corbalis III
RE: Arroyo Grande Self Help Remedies
DATE: May 29, 2008

"(a) a statement of the unpaid amount of unpaid amount of costs and expenses;

(b) a description sufficient for identification of that portion of the property of the defaulting owner which is the subject of the lien; and

(c) the name of the owner or reputed owner of the property which is the subject of the alleged lien.

Such lien, when so established against the real property described in said lien, shall be prior and superior to any right, title, interest, lien or claim which may be or has been acquired or attached to such real property after the time of filing of such lien. Such lien shall be for the use and benefit of the parson [sic] filing same, and may be enforced and foreclosed in a suit or action brought in any court of competent jurisdiction."

- As such, a judicial foreclosure can be utilized to enforce the lien. Certainly, this is a sharp weapon.

Recording Requested By
When Recorded Mail To:

P. Terence Schubert, Esq.
A Professional Law Corporation
1254 Marsh Street
San Luis Obispo, California 93401

Space Above This Line For Recorder's Use

MODIFICATION OF DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS

This Modification to that Declaration of Restrictions and Grant of Easements (the "Declaration of Restrictions") dated March 4, 1981 and recorded in the Official Records of the County of San Luis Obispo, State of California on March 10, 1981, as Document No. 1981010222, is made as of the 8th day of March, 2007, by and between OTR, an Ohio general partnership ("OTR"); the Joseph Gordon Scolari and Eldeen W. Scolari 1979 Revocable Trust ("Scolari"); the William G. Gerrish and Nancy L. Gerrish Family Trust dated February 29, 1996 ("Gerrish"); the Ronald R. Olson and Sharon B. Olson Living Trust dated July 31, 1986 ("Olson"); Arroyo Town & Country Square, LLC ("Arroyo"); and the Scharin Family Trust dated February 18, 2003 ("Scharin"); hereinafter collectively referred to as "the Owners." This instrument is, for convenience, hereinafter referred to as the "Modification."

RECITALS

A. The Owners own certain real property ("the Subject Property" or "the Shopping Center") located in the City of Arroyo Grande, County of San Luis Obispo, State of California, described in Exhibit "A", attached hereto and incorporated herein by reference. Under the terms of the Declaration of Restrictions, the Shopping Center was divided into five parcels, which parcels were individually referred to as Parcel A, Parcel B, Parcel C, Parcel D, and Parcel E. Arroyo is the owner of Parcels A and D. OTR is the owner of Parcel B. Scharin is the owner of Parcel C. Scolari, Gerrish and Olson are the owners of Parcel E. There are no other owners of the Subject Property.

B. Pursuant to Paragraph 5 of the Declaration of Restrictions, if the City no longer requires the Basin to be maintained, the Basin may be filled in and added to Common Area. Instead of the Basin becoming a part of the Common Area, the Owners are desirous of filling in the Basin, reconfiguring certain parcels and identifying parts of the filled-in Basin as Building Area.

C. A lot line adjustment has been, or will be, completed through which the configuration of the Shopping Center parcels has been, or will be, changed. As a result of the lot

line adjustment, there will be five parcels at the Shopping Center, which parcels are individually referred to as Parcel 1, Parcel 2, Parcel 3, Parcel B, and Parcel E. Arroyo will own Parcel 1 and Scharin will own Parcels 2 and 3. The ownership of Parcels B and E will not change. A plot plan of the configuration of the Shopping Center, after the lot line adjustment, is attached hereto, marked as Exhibit "B" and incorporated herein by reference.

D. Through entering into this Modification, the terms of the Declaration of Restrictions will be modified to reflect the existing configuration of the Shopping Center and to effectuate other changes, as described in this document.

E. Under the terms of the Declaration of Restrictions, in order to modify that Declaration, all of the Owners must agree, and the tenants of the buildings located on Parcel B and Parcel C must consent to this Modification. Nova Scotia Financial Group, Inc., the tenant of the building located on Parcel B, and the Dollar Tree Stores, Inc., the tenant of Parcel C, agree to this Modification, as indicated by affixing their signatures below.

MODIFICATION

1. All references to "Parcel A" in the Declaration of Restrictions shall be changed to "Parcel 1."

2. All references to "Parcel C" in the Declaration of Restrictions shall be changed to "Parcel 2."

3. All references to "Parcel D" in the Declaration of Restrictions shall be changed to "Parcel 3."

4. Paragraph 5 of that Section of the Declaration of Restrictions entitled "Development," is deleted in its entirety, and any remaining sentences in the Declaration of Restrictions containing the word "Basin" are to be read as though "Basin" was deleted.

5. That portion of Paragraph 4 of that Section of the Declaration of Restrictions entitled "Operations and Maintenance of Common Area," which reads as follows:

"The percentage shares of such costs and expenses are as follows:

| | |
|----------|--------------|
| Parcel A | 15.70% |
| Parcel B | 31.37% |
| Parcel C | 31.03% |
| Parcel D | 17.59% |
| Parcel E | <u>4.31%</u> |
| TOTAL | 100.00%" |

shall be deleted, and the following language shall be inserted in its place:

"The percentage shares of such costs and expenses are as follows:

| | |
|----------|--------------|
| Parcel 1 | 31.19% |
| Parcel 2 | 28.14% |
| Parcel 3 | 7.24% |
| Parcel B | 29.39% |
| Parcel E | <u>4.04%</u> |
| TOTAL | 100.00% |

6. That portion of Paragraph 3 of that Section of the Declaration of Restrictions entitled "Restrictions on Use" which reads as follows:

"and provided further that this restriction shall not prohibit the operation of one (1) restaurant containing not more than four thousand (4,000) square feet of floor area and offering alcoholic beverages for on-premises consumption only,"

shall be deleted, and the following language shall be inserted in its place:

"and provided further that this restriction shall not prohibit the operation of one (1) restaurant containing not more than six thousand nine hundred (6,900) square feet of floor area and offering alcoholic beverages for on-premises consumption only,"

7. Parcel 3 shall be developed in accordance with the plans and specifications approved by the Owners. The Owner of Parcel 3, at its sole cost and expense, shall fill in the Basin and relocate the pylon signs respecting the Center, including but not limited to, the Spencer's Market sign located along East Grand Avenue. The Owner of Parcel B and its tenant shall have the right to approve the location and appearance of the relocated pylon. The Owner of Parcel 3 shall also be responsible for repairing any damage or replacing the parking lot, landscaping and signage which is disturbed by the construction on Parcel 3. In addition to the other restrictions set forth in the Declaration of Restrictions, Parcel 3 shall be subject to the following restrictions:

- a. The height of the main parapet wall of the building shall be limited to 18 feet 9 1/2 inches and the entry tower will be limited to 23 feet;
- b. The area of the building shall be limited to 6,142 square feet;
- c. The footprint of the building will be limited to 95 feet in depth by 59 feet 8 inches in width.
- d. Parcel 3 shall not be used for fast food, gas station or "mini-market" or similar type uses or any other use that has a drive-through window or service.

8. All references to Exhibit "A" in the Declaration of Restrictions shall hereafter refer to Exhibit "A" attached to this Modification.

9. All references to Exhibit "B" in the Declaration of Restrictions shall hereafter refer to Exhibit "B" attached to this Modification.

10. In all other respects, the remaining terms and conditions of the Declaration of Restrictions shall remain in full force and effect. Any capitalized terms not defined in this Modification shall have the same meaning given to them in the Declaration of Restrictions.


IN WITNESS WHEREOF, the parties hereto have executed this Modification as of the day and year first above written.

The Scharin Family Trust dated February 18, 2003

By: _____
Johan Scharin, Trustee

By: _____
Pamela Mays, Trustee

OTR
An Ohio General Partnership

By:  _____
Matthew Vulanch

Title: AUTHORIZED Agent

The Ronald R. Olson and Sharon B. Olson Living Trust dated July 31, 1986

By: _____
Ronald R. Olson, Trustee

By: _____
Sharon B. Olson, Trustee

Arroyo Town & Country Square, LLC
A Delaware Limited Liability Company

By: 

Name: Gary Grossman

Title: Owner

The Joseph Gordon Scolari and Eldeen W. Scolari 1979 Revocable Trust

By: _____
Joseph Gordon Scolari, Trustee

The William G. Gerrish and Nancy L. Gerrish Family Trust dated February 29, 1996

By: _____
William W. Gerrish, Trustee

By: _____
Nancy L. Gerrish, Trustee

State of _____)
County of _____) ss.

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared Johan Scharin and Pamela Mays, 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.

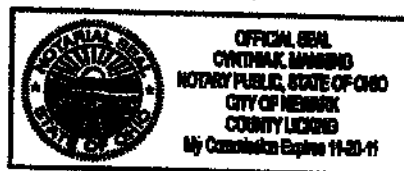
Signature _____ (Seal)

State of Ohio)
County of Franklin) ss.

On MARCH 16, 2007 before me, a Notary Public in and for said County and State, personally appeared Matthew Vulcanich, 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.

Signature Cynthia K. Manning (Seal)



State of _____)
) ss.
County of _____)

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared Ronald R. Olson and Sharon B. Olson, 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.

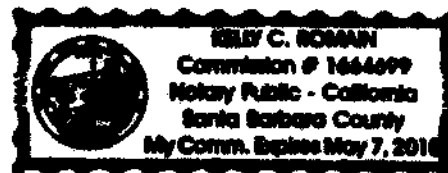
Signature _____ (Seal)

State of California)
) ss.
County of Santa Barbara)

On March 27, 2007 before me, a Notary Public in and for said County and State, personally appeared Gary H. Grossman, 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.

Signature Kelly C. Roman (Seal)



State of _____)
) ss.
County of _____)

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared Joseph Gordon Scolari, 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.

Signature _____ (Seal)

State of _____)
) ss.
County of _____)

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared William W. Gerrish and Nancy L. Gerrish, 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.

Signature _____ (Seal)

CONSENT TO MODIFICATION

Nova Scotia Financial Group, Inc., as the tenant of the building located on Parcel B of the Subject Property, and Dollar Tree Stores, Inc., as the tenant of Parcel 2 (referred to in the Declaration of Restrictions as Parcel C), hereby consent to all of the terms and conditions of the Modification to Declaration of Restrictions and Grant of Easements.

Nova Scotia Financial Group, Inc.
A Nevada Corporation

By: _____
John M. Spencer

Title: _____

Dollar Tree Stores, Inc.
A Virginia Corporation

By: _____
John L. Cote

Title: _____

State of _____)
) ss.
County of _____)

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared John M. Spencer, 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.

Signature _____ (Seal)

State of _____)
) ss.
County of _____)

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared John L. Cote, 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.

Signature _____ (Seal)

— — — — —

Standard Insurance Company
An Oregon Corporation

Title: _____

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared _____, 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.

Signature _____ (Seal)

CONSENT TO MODIFICATION

Mennonite Mutual Aid Association, an Indiana fraternal benefit association, as the lienholder on Parcel __ hereby consents to all of the terms and conditions of the Modification to Declaration of Restrictions and Grant of Easements.

Mennonite Mutual Aid Association
An Indiana Fraternal Benefit Association

By: _____

Title: _____

State of _____)
County of _____) ss.

On _____, 2007 before me, a Notary Public in and for said County and State, personally appeared _____, 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.

Signature _____ (Seal)

DESCRIPTION OF THE SUBJECT PROPERTY

Parcels B and E of Lot Line Adjustment No. A.G. 80-44 in the City of Arroyo Grande, County of San Luis Obispo, State of California, as shown and designated on the Map recorded on December 18, 1980, in Book 30, Page 3 of Parcel Maps in the Office of the County Recorder of said County.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof.

EXHIBIT A
Legal Description
Parcel 1

Being a portion of Parcels A and D of Parcel Map AG 82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 32, page 21 of Parcel Maps, along with a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps, both filed in the office of the County Recorder of said County being more particularly described as follows:

Beginning at the northwesterly most corner of said Parcel A; thence along the boundary of said Parcel A the following ten (10) courses and distances:

1. South 86°45'00" East, 82.69 feet;
2. North 3°15'00" East, 8.15 feet;
3. South 86°45'00" East, 22.30 feet;
4. South 3°15'00" West, 8.16 feet;
5. South 86°45'00" East, 33.81 feet;
6. South 3°15'00" West, 135.79 feet;
7. North 86°45'00" West, 34.43 feet;
8. South 3°15'00" West, 195.00 feet;
9. South 86°45'00" East, 206.30 feet; and
10. North 3°15'00" East, 235.95 feet to a point on the southerly boundary of said Parcel D; thence along the boundary of said Parcel D the following eleven (11) courses and distances:
 11. North 86°45'00" West, 1.08 feet;
 12. North 3°15'00" East, 142.03 feet;
 13. South 86°45'00" East, 2.16 feet;
 14. North 3°15'00" East, 141.98 feet;
 15. South 86°42'14" East, 33.28 feet;

EXHIBIT A

16. North 3°12'41" East, 120.05 feet;
17. South 86°49'33" East, 16.00 feet;
18. South 3°15'06" West, 245.73 feet;
19. South 86°45'29" East, 319.78 feet;
20. South 3°15'38" West, 158.36 feet and
21. North 86°44'41" West, 300.04; thence along a line parallel with and 10.00 feet easterly and southerly of said boundary of Parcel CC the following two (2) courses and distances:
22. South 3°15'00" West, 245.95 feet and
23. North 86°45'00" West, 92.84 feet to a point on the easterly boundary of said Parcel A; thence leaving said parallel line
24. South 3°14'23" West, along the boundary of said Parcel A, a distance of 47.48 feet; thence
25. North 86°45'00" West, along a line 96.20 feet northerly of and parallel with the southerly line of said Parcel A, a distance of 127.78 feet, more or less, to a point on the easterly boundary of said Parcel A; thence along said easterly boundary of Parcel A the following three (3) courses and distances:
26. North 3°14'28" East, 32.41 feet;
27. North 86°43'19" West, 100.04 feet and
28. North 3°15'00" East, 355.81 feet to the point of beginning.

Contains 2.52 acres, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof

EXHIBIT A
Legal Description
Parcel 2

Being a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps in the office of the County Recorder of said County being more particularly described as follows:

Beginning at the northeasterly most corner of said Parcel CC; thence along the boundary of said Parcel CC the following three (3) courses and distances:

1. North $86^{\circ}45'00''$ West, 60.00 feet;
2. South $3^{\circ}15'38''$ West, 158.36 feet and
3. North $86^{\circ}44'41''$ West, 300.04 feet; thence leaving said boundary of Parcel CC and along a line parallel with and 10.00 feet easterly and southerly of said boundary of Parcel CC the following two (2) courses and distances:
 4. South $3^{\circ}15'00''$ West, 245.95 feet and
 5. North $86^{\circ}45'00''$ West, 92.84 feet; thence leaving said parallel line
 6. South $3^{\circ}14'23''$ West, 47.48 feet; thence
 7. South $86^{\circ}45'00''$ East, 196.33 feet; thence
 8. South $3^{\circ}17'52''$ West, 92.60 feet, more or less, to a point on the south line of said Parcel CC; thence along said south line of Parcel CC
 9. South $86^{\circ}45'00''$ East, 51.60 feet to the southeasterly corner of said Parcel CC; thence along the boundary of said Parcel CC the following three (3) courses and distances:
 10. North $3^{\circ}15'38''$ East, 160.00 feet;
 11. South $86^{\circ}44'40''$ East, 204.94 feet and
 12. North $3^{\circ}15'49''$ East, 384.39 feet to the point of beginning.

Contains 2.54 acres, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof

EXHIBIT A
Legal Description
Parcel 3

Being a portion of Parcel A of Parcel Map AG 82-107, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 32, page 21 of Parcel Maps, along with a portion of Parcel CC of Parcel Map AG 80-007, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed in Book 30, page 63 of Parcel Maps, both filed in the office of the County Recorder of said County being more particularly described as follows:

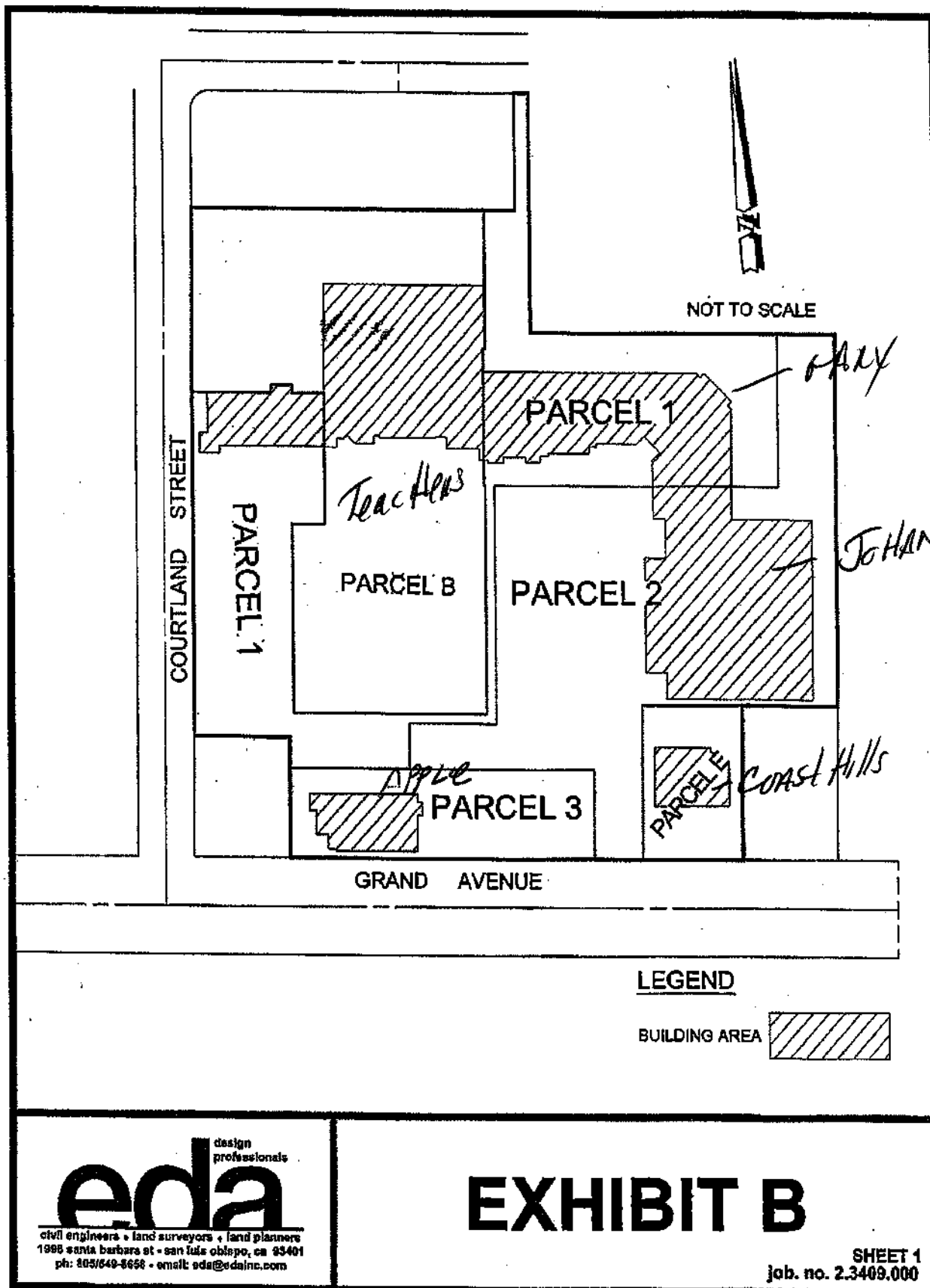
Beginning at the southwesterly most corner of said Parcel A; thence

1. North 3°14'28" East, along the easterly boundary of said Parcel A, a distance of 92.60 feet; thence leaving aid boundary of Parcel A
2. South 86°45'00" East, along a line parallel with and 92.60 feet northerly of the south line of said Parcels A and CC, a distance of 324.11 feet; thence
3. South 3°17'52" West, 92.60 feet to a point on the south line of said Parcel CC; thence
4. North 86°45'00" West, along the south line of said Parcels CC and A, a distance of 324.02 feet to the point of beginning.

Contains 30,009 square feet, more or less.

Subject to covenants, conditions, reservations, rights of way and easements, if any, of record.

The above described land is graphically shown on Exhibit B attached hereto and made a part hereof



RECORDING REQUESTED BY

WHEN RECORDED RETURN TO

COX, CASTLE & NICHOLSON LLP
19800 MacArthur Boulevard
Suite 600
Irvine, California 92612-2435
ATTN: Robert J. Sykes

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

**FIRST AMENDMENT AND MODIFICATION OF DECLARATION OF
RESTRICTIONS AND GRANT OF EASEMENTS**

THIS FIRST AMENDMENT AND MODIFICATION OF DECLARATION OF RESTRICTIONS AND EASEMENTS ("Amendment") is made as of the ____ day of _____, August 2003, by and among _____, _____, and _____ [INSERT NAMES OF OWNERS AND TENANTS].
InvesteeNorth Coast Associates, State Teachers Retirement System of Ohio, Johan C. Scharin and Pamela D. Mays, Trustees of the Scharin Family Trust dated February 18, 2003, SGO Rentals, a joint venture, Spencer's Grocery Store, and Dollar Stores, Inc., and are sometimes referred to herein individually as a "Party" and collectively as the "Parties." All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the "Declaration" (as defined in Recital A below). Unless otherwise indicated, all article and/or section references contained in this Amendment shall refer to the corresponding article and section references in the Declaration.

RECITALS

A. On March 4, 1981 that certain Declaration of Restrictions and Grant of Easements was made by Joie G. Scolari and Eldeen W. Scolari, William G. Gerrish and Nancy L. Gerrish, and Ronald R. Olson and Sharon B. Olson (collectively, "Original Grantor"), and recorded on March 10, 1981, as Document No. 10222 of the Official Records of San Luis Obispo County, California (the "Declaration").

B. _____ InvesteeNorth Coast Associates is the owner of Parcel A as more particularly described on Exhibit "A" attached hereto and made a part hereof.

C. _____ State Teachers Retirement System of Ohio is the owner of Parcel B as more particularly described on Exhibit "B" attached hereto and made a part hereof.

D. Johan C. Scharin and Pamela D. Mays, Trustees of the Scharin Family Trust dated February 18, 2003 is the owner of Parcel C as more particularly described on Exhibit "C" attached hereto and made a part hereof.

E. InvesteeNorth Coast Associates is the owner of Parcel D as more particularly described on Exhibit "D" attached hereto and made a part hereof.

F. SGO Rentals, a joint venture is the owner of Parcel E as more particularly described on Exhibit "E" attached hereto and made a part hereof.

G. [Spencer's Grocery Store, a _____] is the tenant of the Building Area on Parcel B.

H. [Dollar Tree, a _____ Stores, Inc.] is the tenant of the Building Area on Parcel C.

I. Section 4 of the General Provisions of the Declaration provides, in part, that the Declaration may not be modified in any respect whatsoever, in whole or part, without the consent of one hundred percent (100%) of the owners of the Shopping Center, plus the tenants of the Building Areas located on Parcel B and Parcel C. The undersigned, being one hundred percent (100%) of the owners of the Shopping Center, plus the tenants of the Building Areas located on Parcel B and Parcel C, desire to amend and modify said document to modify certain terms and provisions of the Declaration as hereinafter set forth.

NOW, THEREFORE, for valuable consideration, the tender, receipt and sufficiency of which are hereby acknowledged, the Declaration is amended as follows.

TERMS AND CONDITIONS

1. Restrictions on Use. The entire following subsection shall be added to the end of the Section of the Declaration entitled "Restrictions on Use":

"5. Notwithstanding anything contained herein, the foregoing restriction contained in Section 4 shall not prohibit (a) the operation of a credit union, real estate, escrow, or title office in the Building Area on Parcel E of the Shopping Center; or (b) the operation of a health spa, studio, fitness center or workout facility that does not exceed _____ 2,000 square feet of floor area on Parcel A or D of the Shopping Center.

6. Except with the prior written consent of all owners, no portion of the Shopping Center shall be used for the following uses:

(i) Any use which emits an obnoxious odor, noise, or sound which can be heard or smelled outside of any building in the Shopping Center;

(ii) Any operation primarily used as a storage warehouse operation and any assembling, manufacturing, distilling, refining, smelting, agricultural, or mining operation;

(iii) Any "second hand" store or "surplus" store;

(iv) Any mobile home park, trailer court, labor camp, junkyard, or stockyard (except that this provision shall not prohibit the temporary use of construction trailers during periods of construction, reconstruction, or maintenance);

(v) Any dumping, disposing, incineration, or reduction of garbage (exclusive of garbage compactors located near the rear of any building located in the Shopping Center);

(vi) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation;

(vii) Any central laundry, dry cleaning plant, or laundromat;

(viii) Any automobile, truck, trailer or recreational vehicles sales, leasing, display or body shop repair operation;

(ix) Any living quarters, sleeping apartments, or lodging rooms;

(x) Any veterinary hospital or animal raising facilities (except that this prohibition shall not prohibit pet shops);

(xi) Any mortuary or funeral home;

(xii) Any establishment selling or exhibiting pornographic materials or drug-related paraphernalia;

(xiii) Any flea market, video arcade (except when supplemental to the primary use and provided the secondary 'games' does not exceed 15% of the total square footage of lessee's space), car wash, or dance hall;

(xiv) Any gambling facility or operation including, but not limited to: off-track or sports betting parlor; table games such as black-jack or poker; slot machines, video poker/black-jack/keno machines or similar devices; or bingo hall. Notwithstanding the foregoing, this prohibition shall not apply to governmental sponsored gambling activities, or charitable gambling activities, so long as such governmental and/or charitable

activities are incidental to the business operation being conducted by the occupant."

2. Modification Provisions. Section 4 of the General Provisions of the Declaration is hereby deleted and replaced in its entirety by the following:

"4. MODIFICATION PROVISION. This Declaration may not be modified in any respect whatsoever, or rescinded, in whole or in part, except with the consent of one hundred percent (100%) of the owners of the Shopping Center, and then only by written instrument duly executed and acknowledged by the requisite owners, duly recorded in the Office of the Recorder of San Luis Obispo County."

3. Declaration Remains in Full Force. Except as expressly modified hereby, all other terms and provisions of the Declaration (a) shall remain in full force and effect and are hereby ratified; (b) are incorporated herein by this reference; and (c) shall govern the conduct of the Parties hereto; provided, however, to the extent of any inconsistency between the provisions of the Declaration and the provisions of this Amendment, the provisions of this Amendment shall control.

4. Effective Date. This Amendment shall be effective and binding upon the Parties on the date that the Amendment is recorded in the Official Records of San Luis Obispo, California (the "Effective Date").

5. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

[SIGNATURES FOLLOW ON THE NEXT PAGE]

IN WITNESS WHEREOF, this Amendment has been executed by the Parties the date hereinabove written.

[insert signature blocks and notice addresses of the owners and tenants]

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, _____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, 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.

Notary Public

CONSENT

The undersigned hereby consents to the attached First Amendment and Modification to Declaration of Restrictions and Easements ("CC&Rs") and hereby subordinates its lien and/or interest in the real property described in Exhibit ____ to the CC&Rs.

Dated: _____

[Bank]

By: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, _____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, 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.

Notary Public

Exhibit "A"

Recording requested by and
when recorded return to:

TOWN AND RANCH REALTY
701 Grand Avenue
Arroyo Grande, CA 93420

rec'd
FILE COPY, PLEASE

This was the document
I Rec'd when I bought
my house 4 yrs. ago. I've
just recently learned it
was never recorded &
Therefore not applicable.

Looking forward to
our meeting so we
can have a clear under-
standing of our & your
responsibilities

Barbara Fullerton

AMENDMENT TO EASEMENT CONDITIONS AND COVENANTS

THIS AMENDMENT to that certain instrument entitled "Grant of Easement and Easement Conditions and Covenants," which was entered into June 1, 1993, by and between OTR, an Ohio General Partnership, NORTHCOAST ASSOCIATES, a California General Partnership, MERILEE PECK NEWDOLL, VICTOR A. BUCCOLA and SALLY L. BUCCOLA, as Trustees of THE VICTOR A. AND SALLY BUCCOLA FAMILY TRUST, and THELMA M. WILLIAMS, which was recorded December 23, 1993, ~~in Book~~ Instrument Page #080610, Official Records of San Luis Obispo County, California:

Said instrument is hereby amended in the following respects, only:

1. Paragraph 14 is hereby amended to read as follows:
14. "Grantee agrees that at any time Grantor may, at its option, procure by a rider to its general insurance coverage on the subject property insurance written by one or more responsible insurance carriers

which will insure against liability for injury to and/or death of and/or damage to property of any person or persons, with policy limits of not less than one million dollars (\$1,000,000) combined single limit. Such policy or policies shall provide, among other things, (a) blanket contractual liability insurance recognizing and insuring the assumption of liability assumed by the purchaser thereof in Section 13 hereof, and (b) shall contain a provision that the insurer will furnish Grantor and Grantor's lessees and Grantee advance written notice of any cancellation or lapse, or the effective date of any reduction in the amounts or scope of coverage. Grantee shall be liable for, and shall pay within ninety (90) days of the date of billing therefor, the cost of such additional insurance rider."

2. Paragraph 25 is hereby amended to read as follows:

"25. Grantee agrees to be responsible at its cost and expense for insuring and maintaining the easement area and the landscaped slope area adjacent to the easement area, including the landscaping cover and all improvements located thereon, in good condition and repair. All charges incurred in connection with such maintenance of the easement area and the landscaped slope area, including furnishing irrigation water thereto (if necessary), shall be sent by Grantees within thirty (30) days of receipt of an itemized billing from the common area manager ("Manager"), acting on behalf of Grantor

pursuant to the Declaration. Grantee shall not be required to bring or furnish irrigation water to the landscaped area unless Grantor reasonably determines that irrigation is necessary for the actual maintenance of the landscaped area; upon Grantor making such determination Grantor shall give Grantee written notice to furnish irrigation water thereto, and Grantee shall have ninety (90) days from the date of such notice to do the same."

3. Paragraphs 28 and 33 are hereby deleted.

4. Paragraph 32 is hereby amended to read as follows:

"32. It is acknowledged and agreed that Grantee's property is currently being developed as an eight (8) lot residential subdivision, and that a Homeowners Association called 'Chelsea Court Homeowners Association' has been established and charged with the duty of performing all of the covenants, conditions, and duties of Grantee prescribed under this Agreement. Said Association shall be bound by and shall perform each and every condition and covenant set forth in this Agreement. Upon the sale of the last lot in said subdivision by Grantee, all of Grantee's covenants and duties under this Agreement shall pass to said Association, and Grantee and each of its participating members shall be released from any further liability hereunder."

/ / / /

/ / / /

/ / / /

IN WITNESS WHEREOF, the parties hereby have entered into this
Amendment this _____ day of _____, 1994.

OTR, an Ohio General Partnership

By: _____
General Partner

NORTHCOAST ASSOCIATES, a
California General Partnership,

By: _____
General Partner

Merilee Peck Newdoll
MERILEE PECK NEWDOLL

Victor A. Buccola
VICTOR A. BUCCOLA, Trustee

Sally L. Buccola
SALLY L. BUCCOLA, Trustee

Thelma M. Williams
THELMA M. WILLIAMS

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO } S.S.

On MAY 25, 1994 before me,

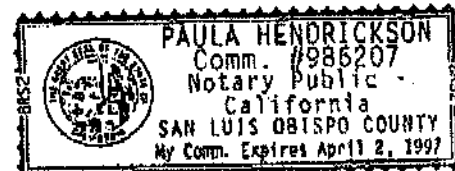
PAULA HENDRICKSON

a Notary Public in and for said County and State, personally appeared
**MERILEE PECK NEWDOLL, THELMA M. WILLIAMS,
VICTOR A. BUCCOLA and SALLY L. BUCCOLA**
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

Signature *Paula Hendrickson*

FOR NOTARY SEAL OR STAMP



Staple

CERTIFICATE OF ACKNOWLEDGEMENT

Staple