

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: March 19, 2008

**AGENDA ITEM
D-7
MARCH 26, 2008**

ACCEPTANCE OF EASEMENTS AND WATER IMPROVEMENTS
TRACT 2499 (NESTER)

ITEM

Acceptance of Tract 2499 Nester easements and water improvements for Tract 2499 on Via Seco and Calle Roble north of Pomeroy [ADOPT RESOLUTION].

BACKGROUND

Upon completion of a developer's project, the District accepts improvements of the project after all requirements have been met. The developer (Nester Construction) for Tract 2499, a nineteen (19) lot subdivision consisting of eighteen (18) residential lots and one open space lot located on Via Seco and Calle Roble north of Pomeroy, has offered for dedication the two (2) attached easements for the water system; has installed the water system to District Standards; and has met the District's standard conditions:

- Installed the improvements
- Paid associated fees
- Provided the necessary paperwork, including the Offer of Dedication and the Engineer's Certification

In addition, the District had two special conditions that applied to this project that were part of the annexation agreement. First, the annexation agreement provided a mechanism to collect fees for supplemental water. The mechanism has since been superseded by the District's supplemental water capacity charge and the developer satisfied this condition of the annexation agreement by paying the District's current supplemental water capacity fees. Second, the District required the developer to provide the District with an agricultural easement for the open space parcel. The required agricultural easement document is attached.

Last of all, the County of San Luis Obispo allowed the developer to construct a residential unit on the open space parcel, Lot 19. The District will not provide water to this parcel since it will be served by an existing well and it was not included in the Intent-to-Serve application for the project. Cal Fire has required the developer to construct a storage tank on-site to provide fire protection service and thus no fire capacity fees are due to the District. The developer has executed the attached Declaration and Restrictive Covenants that was prepared by the District's legal counsel that limits the use of the well to one dwelling unit and irrigation of crops on the open space parcel.

The developer did install a water service for Lot 19 and the end of the service has been encased in concrete to prevent unauthorized use. The owner of the residential unit on Lot 19 will be required to apply for service and pay the current fees should they desire to connect to the District's water system at some point in the future.

RECOMMENDATION

Staff recommends that your Honorable Board approve Resolution 2008-Accept TR 2499, accepting the offered water system easements, agricultural easement, declaration & restrictive covenants, and the water system improvements for Tract 2499.

ATTACHMENTS

Resolution 2008-Accept TR 2499

Easement and Agreement Affecting Real Property dated May 8, 2006

Easement and Agreement Affecting Real Property dated March 18, 2008

Agricultural Easement dated March 18, 2008

Declaration and Restrictive Covenants dated March 18, 2008

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2008\ACCEPT PROJECTS\ACCEPT TR 2499 nester.doc

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2008 - ACCEPT TR 2499**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING EASEMENTS, DECLARATION AND RESTRICTIVE COVENANTS
AND THE WATER IMPROVEMENTS FOR TRACT 2499 (NESTER)**

WHEREAS, the District approved the construction plans on January 27, 2006, for the water improvements to be constructed; and

WHEREAS, the water improvements have been constructed and said improvements are complete and certified by the engineer; and

WHEREAS, on February 26, 2008, the Owner offered the water improvements to the Nipomo Community Services District; and

WHEREAS, the Owner offered the attached easements for out of right of way utilities and in future right of way utilities to the Nipomo Community Services District; and

WHEREAS, the Owner offered the attached agricultural easement for the open space parcel; and

WHEREAS, the Owner offered the declaration and restrictive covenants for the open space parcel; and

WHEREAS, this District has accepted such offer without obligation except as required by law, and

WHEREAS, all water fees for service, required in conformance with District ordinances, have been paid in full for Tract 2499 (Nester).

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. That the water improvements to serve Tract 2499 in Nipomo are accepted by this District.
2. That the attached easements are hereby accepted and staff is ordered to record the attached easements.
3. That the attached declaration and restrictive covenants is hereby accepted and staff is ordered to record the declaration.

On the motion by Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICT:

the foregoing resolution is hereby adopted this 26th day of March, 2008.

Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel

RECORDING REQUESTED BY:
NIPOMO COMMUNITY SERVICES DISTRICT

JULIE RODEWALD
San Luis Obispo County - Clerk/Recorder
Recorded at the request of
Public

IN
5/31/2007
1:46 PM

AND WHEN RECORDED RETURN TO:

Nipomo Community Services District
PO Box 326
Nipomo, CA 93444

DOC#: 2007036945



Title:	1	Pages:	6
Fees			0.00
Taxes			0.00
Others			0.00
PAID			0.00

EASEMENT AND AGREEMENT AFFECTING REAL PROPERTY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Vista Roble LLC, a California Limited Liability Company, Richard Hearn and Rita L. Hearn, husband and wife, referred to hereinafter as "Owner(s)", hereby grants to the NIPOMO COMMUNITY SERVICES DISTRICT, referred to hereinafter as "District", the following real property easement in the County of San Luis Obispo, State of California:

That certain Easement shown as "25' Wide Public Waterline & Public Sewer Easement To Nipomo Community Service District Per This Map" on Tract Map No. 2499 as filed in Book 30, Pages 21-36 of Maps in the Office of the County Recorder, lying in the County of San Luis Obispo, State of California

APN No. 091-232-014

The location of the easement is further described in the drawing attached hereto as Exhibit "A".

It is anticipated by the parties that repair and/or replacement work will be performed by District on District facilities that are contained within said easement. Therefore, Owner(s) covenants and promises as follows:

- a. The Owner(s) shall not construct any improvements such as retaining walls, driveways, patios and sidewalks which could obstruct District's access to the easement or cause damage to District facilities contained within the easement without first obtaining a recordable encroachment permit from the District.
- b. Owner(s) shall remove improvements constructed in violation of subparagraph "a" immediately at Owner's expense. If Owner(s) does not

remove the improvements District is authorized to enter the property and remove them. District shall charge all costs, including administrative costs, for the removal of said improvements to Owner(s).

- c. Owner(s) is allowed to construct improvements which do not damage District facilities or prevent District access to the easement such as wooden fences and landscaping;
- d. In non-emergency situations, Owner(s) shall remove all improvements described in subparagraph "c" above without cost to District upon 30 days written notice. If Owner(s) does not remove the improvements, District is authorized to enter the property and remove them. Owner(s) is responsible to District for all costs, including administrative cost, for the removal of said improvements by District.
- e. In emergency situations, Owner(s) shall remove the improvements described in subparagraph "c" with less notice from District. If circumstances dictate, District shall have the right to enter the property immediately without notice and remove the improvements. Owner(s) is responsible to District for all costs, including administrative cost, for the removal of said improvements by District.
- f. The Owner(s) shall hold District, its agents and employees, harmless and to indemnify District for any damages occurring to the easement and/or any adjacent real or personal property due to District's exercise of its rights to remove improvements pursuant to subparagraphs "b", "d" and "e" above.
- g. The District has the right to enforce all reimbursement remedies described in subparagraphs "b", "d" and "e" above by all means available to the District including those remedies and enforcement procedures stated in Government Code Section 61621 et. seq;
- h. Owner(s) further agree to indemnify, defend and hold harmless District, its agents and employees, from any claims, suits or losses of any kind

(including attorneys fees and court costs) arising out of the maintenance of the easement or the removal of the improvements described in paragraphs "a" and "c" above.

- i. These covenants shall run with the land and will be binding on the successors and assigns of the Owner(s) and shall inure to the benefit of District and its successors and assigns.
- j. If any action at law or inequity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this easement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which that party may be entitled.
- k. Owner(s) shall provide District, its employees and agents, with reasonable access to the easement for the purposes of inspection and maintenance.
- l. This easement shall be recorded in the Official Records in the County Recorder's Office, San Luis Obispo County, and a reference to this easement shall be included in the first deed from the Owner(s) to any subsequent purchaser of the property affected by this easement.

VISTA ROBLE LLC, A California Limited Liability Company

Date: 5-4-06



Date: _____

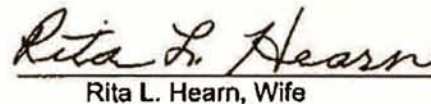
Greg Nester

and

Date: 5-8-06


Richard Hearn, Husband

Date: 5-8-06


Rita L. Hearn, Wife

CALIFORNIA NOTARY ACKNOWLEDGEMENT

APN No.: _____

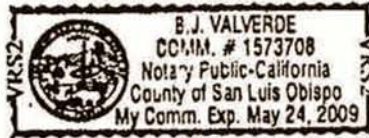
STATE OF CALIFORNIA)SS
COUNTY OF SAN LUIS OBISPO)

On MAY 4, 2006, before me, B. J. VALVERDE personally appeared GREG NESTER 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.

This area for official notarial seal

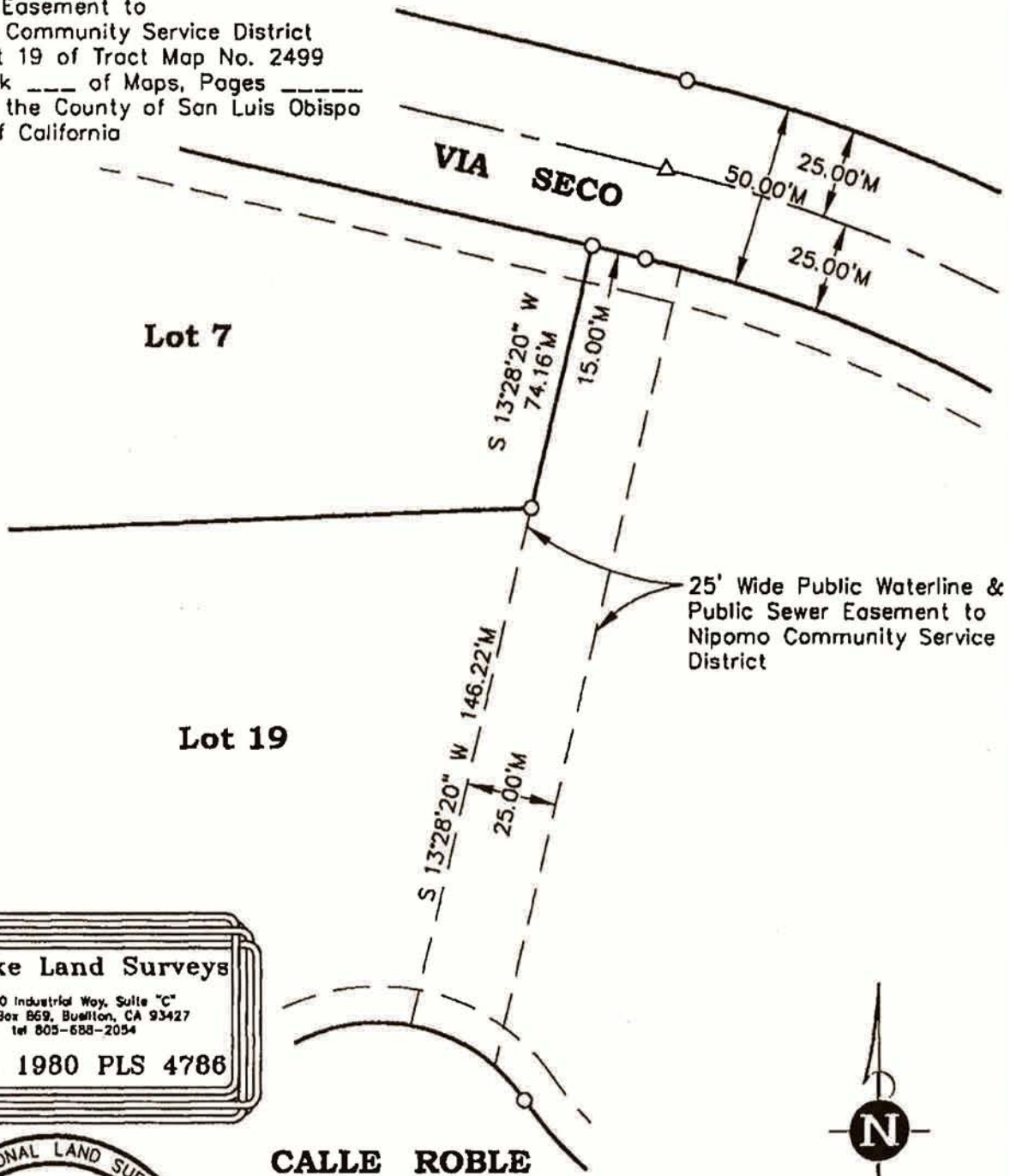
Signature *B. J. Valverde*
My Commission Expires: _____



Notary Name: _____ Notary Phone: _____
Notary Registration Number: _____ County of Principal Place of Business: _____

EXHIBIT "A"

Plot of Easement to
Nipomo Community Service District
over Lot 19 of Tract Map No. 2499
per Book ____ of Maps, Pages _____
lying in the County of San Luis Obispo
State of California



Blake Land Surveys
250 Industrial Way, Suite "C"
P.O. Box 869, Buellton, CA 93427
tel 805-688-2054
Est. 1980 PLS 4786

PROFESSIONAL LAND SURVEYOR
Jed Berkeley Blake
N° 4786
04-10-2007
LICENSE EXPIRATION DATE SEPT. 30, 2002
STATE OF CALIFORNIA

GRAPHIC SCALE

(IN FEET)
1 inch = 40 ft.

END OF DOCUMENT

RECORDING REQUESTED BY

**AND WHEN RECORDED MAIL DOCUMENT
AND TAX STATEMENT TO:**

Heritage Oaks Bank
361 Town Center West
Santa Maria, CA 93458

Space Above This Line for Recorder's Use Only

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT BY BECOMING SUBJECT TO THE TERMS, COVENANTS, CONDITIONS, AND RESTRICTIONS OF THE FOREGOING EASEMENT AND AGREEMENT AFFECTING REAL PROPERTY RECORDED AS DOCUMENT # 2007036945. (THIS NOTICE REQUIRED BY CALIFORNIA CIVIL CODE SECTION 2953.3.)

The undersigned, beneficiary under that certain Deed of Trust dated September 7, 2005, and recorded on September 14, 2005 as Document No. 2005-076958, of the Official Records in the Office of the County Recorder of the County of San Luis Obispo, State of California, does hereby join in, and consent to, each and all of the terms and provisions of the Easement and Agreement Affecting Real Property executed Vista Roble, LLC, Greg Nester, Managing member and Richard Hearn and Rita L. Hearn, Husband and Wife, recorded on May 31, 2007 as Document # 2007036945, and does hereby subordinate its interest to the entire effect of this declaration.

SIGNED AND EXECUTED this 18th day of March, 2008.

Beneficiary:



Heritage Oaks Bank, Rob Coghill, VP

State of California)
County of San Luis Obispo)

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

On March 18, 2008 before me, Anne P. Buckley, Notary Public,
(here insert name and title of the officer)

personally appeared Rob Coghill

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

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

WITNESS my hand and official seal.

Signature Anne P Buckley



(Seal)

OPTIONAL INFORMATION

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

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____.

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

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

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

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

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

Additional Signer(s) Signer(s) Thumbprint(s)

RECORDING REQUESTED BY:
Nipomo Community Services District

WHEN RECORDED RETURN TO:
Nipomo Community Services District
P. O. Box 326
Nipomo, CA 93444

Tract 2499

EASEMENT AND AGREEMENT AFFECTING REAL PROPERTY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Vista Roble, LLC, referred to hereinafter as "Owner(s) or Grantor(s)", hereby grants to the NIPOMO COMMUNITY SERVICES DISTRICT, referred to hereinafter as "District", on this 18th day of March, 2008, a utility easement herein "Easement or Easement Area" over and under the below described streets:

The streets Via Seco and Calle Roble as shown on Tract Map No. 2499 and filed in Map Book 30, Pages 27 through 36 in the Office of the County Recorder, lying in the County of San Luis Obispo, State of California

The location of the easement is further described in the drawing attached hereto as Exhibit "A."

The Easement granted herein shall be subject to the following:

PURPOSE

The purpose of the Easement is the present and future construction, reconstruction, operation, repair, and maintenance of District facilities, including sewer pipelines, water pipelines, and other utilities operated by the District, from and after said utilities are dedicated and accepted by the District (herein "District Facilities"), in such manner and size and with such accessory parts and structures, as the District or its successors in interests from time to time deem necessary.

MAINTENANCE AND REPAIR OF DISTRICT FACILITIES

The District's obligation for maintenance and repair of the Easement Area is limited to that portion of the Easement that is affected by the District reconstruction, operation, repair and maintenance of District Facilities.

MISCELLANEOUS

A. The Easement granted herein shall run with the land and be binding on the successors and assigns of the Grantor(s) and shall inure to the benefit of the District and its successors and assigns.

B. This Easement shall be governed by the laws of the State of California. Any litigation regarding the Easement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

C. This Easement shall be recorded in the Official Records of the County Recorder's Office, San Luis Obispo County.

D. In the event of any controversy or claims relating to this Easement or breach thereof the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

AUTHORITY TO EXECUTE.

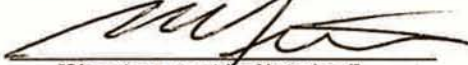
All parties to this Easement warrant and represent that they have the power and authority to grant and accept this Easement and its terms and conditions in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order grant this Easement have been fully complied with. Furthermore, by granting this Easement, Grantor(s) hereby warrants that Grantor(s) shall not have breached the terms or conditions of any other contract or Easement to which Grantor(s) is obligated, which breach would have a material effect hereon.

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IN WITNESS WHEREOF, the Grantor(s) hereto have executed this Easement on 3-18-08, 2008.

GRANTOR(S): Vista Roble, LLC


[Signature must be Notarized]

Greg Nester, Managing Member
[Type or print name]

Date: 3-18-08

**CERTIFICATE OF ACCEPTANCE
GOVERNMENT CODE §2781**

This is to certify that the Nipomo Community Services District, Grantee, herein, by Board action on _____, 2008, accepts for public purposes the real property, or interest described in the foregoing Easement and Agreement, dated _____, 2006, from Grantors, and consents to the recordation thereof.

Nipomo Community Services District

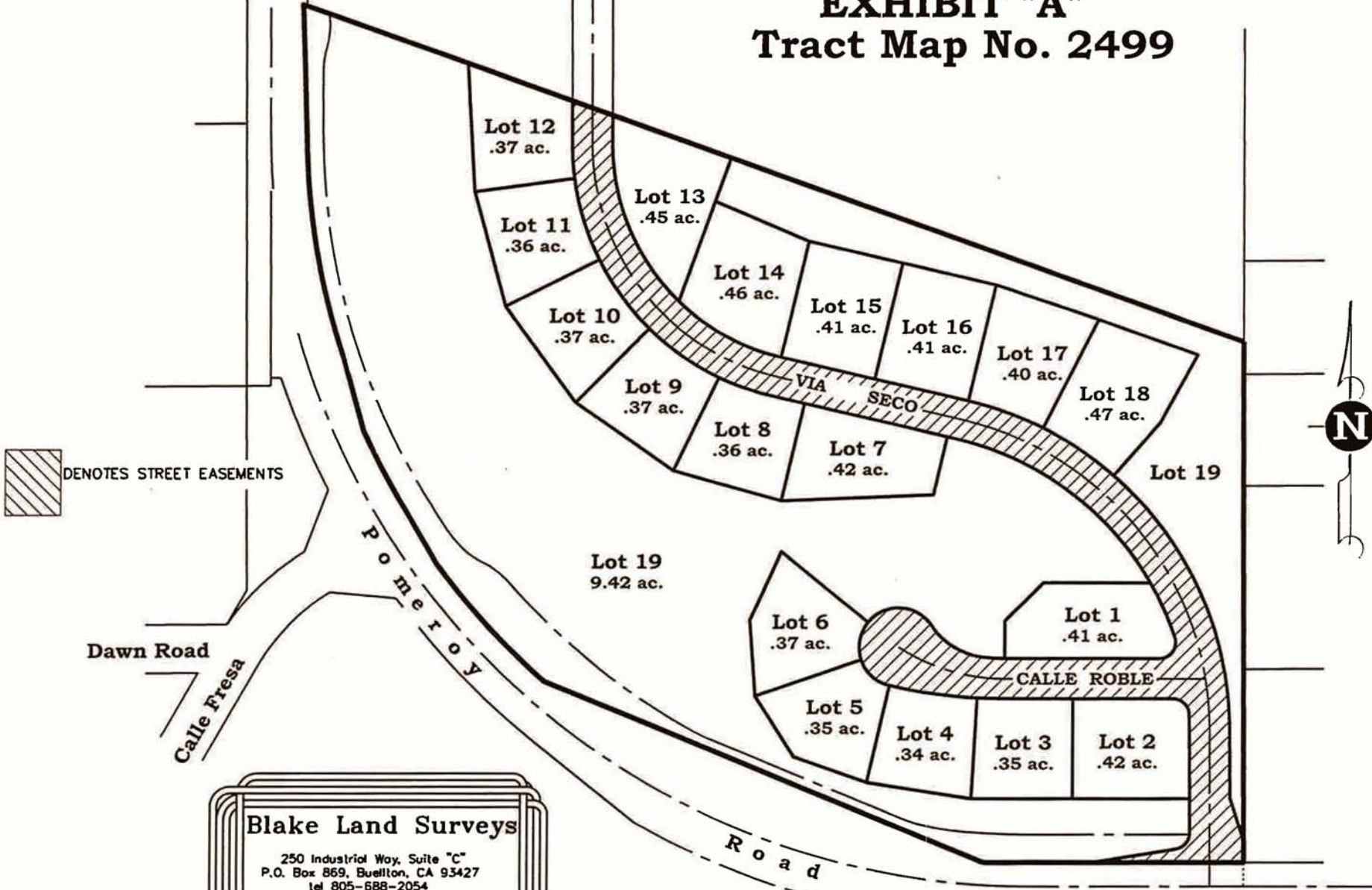
By: _____
Name: Michael Winn
Title: President,
Nipomo Community Services District
Board of Directors

ATTEST:

Donna K. Johnson, Secretary
Nipomo Community Services District
Board of Directors

EXHIBIT "A"

Tract Map No. 2499



 DENOTES STREET EASEMENTS



Blake Land Surveys
 250 Industrial Way, Suite "C"
 P.O. Box 869, Buellton, CA 93427
 tel 805-688-2054
Est. 1980 PLS 4786

Waypoint Drive

State of California)
County of San Luis Obispo)

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

On 3-18-2008 before me, R. Cramer
(here insert name and title of the officer)

personally appeared Greg Neeter

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

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

WITNESS my hand and official seal.

Signature [Handwritten Signature]



(Seal)

OPTIONAL INFORMATION

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

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of Easement & Agreement
Affecting Real Property,
containing 4 pages, and dated 3-18-08.

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

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

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

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

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

Additional Signer(s) Signer(s) Thumbprint(s)

STATE OF California)SS
COUNTY OF San Luis Obispo

On 3-18-2008, before me, R. Cramer, Notary
Public, personally appeared Rob Coghill

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

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

WITNESS my hand and official seal.

Signature R. Cramer



My Commission Expires: Aug 27, 2011

This area for official notarial seal

Notary Name: _____
Notary Registration Number: _____

Notary Phone: _____
County of Principal Place of Business: _____

RECORDING REQUESTED BY:
Nipomo Community Services District

WHEN RECORDED RETURN TO:
Nipomo Community Services District
P. O. Box 326
Nipomo, CA 93444

Tract 2499 & 2331

**AGRICULTURAL EASEMENT GRANTING AN AGRICULTURAL EASEMENT
TO NIPOMO COMMUNITY SERVICES DISTRICT**

THIS AGREEMENT, is made and entered into this 18th day of March, 2008, by and between Margarita Valley Ranch, L.L.C., a California limited liability company, hereinafter referred to as "Owner," and Nipomo Community Services District, hereinafter referred to as "NCSD."

WITNESSETH

WHEREAS, Owner is the record owner of certain real property (hereinafter referred to as "Subject Property") located in the County of San Luis Obispo, State of California, which is more particularly described in Exhibit A attached hereto and incorporated by reference herein as though set forth in full; and

WHEREAS, as agreed to by Owner and as a condition of approval of an Annexation Agreement authorizing annexation of approximately 19.2 acres for residential development and one open space parcel to be used for agricultural purposes, owner is required to enter into an agreement with NCSD, on behalf of itself and its successors in interest, to maintain portions of the site in an agricultural easement; and

WHEREAS, Owner intends that the restriction contained in this agreement shall apply to the Subject Property; and

WHEREAS, execution of this agreement by Owner and NCSD, and subsequent performance of its obligations by Owner and its successors in interest, will satisfy the requirement for dedication of an agricultural easement

agreed to by Owner and imposed by the conditions of approval of the annexation agreement (condition 8) referred to above; and

WHEREAS, Owner acknowledges the provisions that implement NCSD's Annexation Policies related to cluster developments as approved by Nipomo Community Services District Board of Directors on September 10, 2003; and

WHEREAS, Owner authorizes NCSD to abate the accumulation of solid waste, litter and construction and demolition waste accumulating on the open space parcel; and

WHEREAS, Owner authorizes NCSD to abate weeds and other fire hazards created on the open space parcel; and

WHEREAS, Owner has supplied NCSD with a current title company preliminary title report or preliminary subdivision guarantee listing all trust deed beneficiaries and mortgagees, is any, under prior recorded deeds of trust and mortgages on the Subject Property.


NOW, THEREFORE, in further consideration of the mutual promises, covenants, and conditions herein contained and the substantial public benefits to be derived therefrom, the parties hereto agree as follows:

1. Effect of prior easements. Nothing contained in this agreement shall limit or affect any easement that are of record and that have been heretofore granted by Owner on, over, under, or across the Subject Property or any portion thereof.
2. Duration of easement. The Easement granted herein shall run with the land and be binding on the successors and assigns of the Grantor(s) and shall inure to the benefit of the District and its successors and assigns.
3. Laws governing and venue. This Easement shall be governed by the laws of the State of California. Any litigation regarding the Easement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.
4. Agreement to be Recorded. This Easement shall be recorded in the Official Records of the County Recorder's Office, San Luis Obispo County.

5. In the event of any controversy or claims relating to this Easement or breach thereof the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

IN WITNESS WHEREOF, the Grantor(s) hereto have executed this Easement on 3-18-, 2008.

GRANTOR(S): Margarita Valley Ranch


[Signature must be Notarized]

Greg Nester, Managing Member
[Type or print name]

Date: 3-18-08

**CERTIFICATE OF ACCEPTANCE
GOVERNMENT CODE §2781**

This is to certify that the Nipomo Community Services District, Grantee, herein, by Board action on _____, 2008, accepts for public purposes the real property, or interest described in the foregoing Easement and Agreement, dated _____, 2006, from Grantors, and consents to the recordation thereof.

Nipomo Community Services District

By: _____
Name: Michael Winn
Title: President,
Nipomo Community Services District
Board of Directors

ATTEST:

Donna K. Johnson, Secretary
Nipomo Community Services District
Board of Directors

EXHIBIT A

APN # 091-296-052

Lot 34 of Tract 2331, in the County of San Luis Obispo, State of California,
according to map recorded April 4, 2000 in Book 19, Page 8 of Maps.

And,

APN # 091-297-001

Lot 19 of Tract 2499, in the County of San Luis Obispo, State of California,
according to map recorded May 21, 2007 in Book 30, Pages 27 through 36 of
Maps, in the office of the County Recorder of said county.

State of California)
County of San Luis Obispo)

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

On 3-18-2008 before me, R. Cramer
(here insert name and title of the officer)

personally appeared Greg Nester

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

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

WITNESS my hand and official seal.

Signature [Handwritten Signature]



(Seal)

OPTIONAL INFORMATION

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Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____

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

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

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

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

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

- Additional Signer(s) Signer(s) Thumbprint(s)
- _____

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL DOCUMENT
AND TAX STATEMENT TO:

Heritage Oaks Bank
361 Town Center West
Santa Maria, CA 93458

Space Above This Line for Recorder's Use Only

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT BY BECOMING SUBJECT TO THE TERMS, COVENANTS, CONDITIONS, AND RESTRICTIONS OF THE FOREGOING AGRICULTURAL EASEMENT GRANTING AN AGRICULTURAL EASEMENT TO NCSD DATED MARCH 18, 2008. (THIS NOTICE REQUIRED BY CALIFORNIA CIVIL CODE SECTION 2953.3.)

The undersigned, beneficiary under that certain Deed of Trust dated May 25, 2007, recorded June 8, 2007 as Document No. 2007-038654, of the Official Records in the Office of the County Recorder of the County of San Luis Obispo, State of California, does hereby join in, and consent to, each and all of the terms and provisions of the Agricultural Easement Granting an Agricultural Easement to NCSD dated March 18, 2008 executed by Margarita Valley Ranch, LLC, Greg Nester, Managing member recorded concurrently herewith, and does hereby subordinate its interest to the entire effect of this declaration.

SIGNED AND EXECUTED this 18th day of March, 2008.

Beneficiary:

Angie VP
HERITAGE OAKS BANK

STATE OF California)SS
COUNTY OF San Luis Obispo

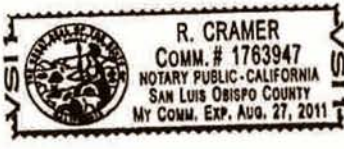
On 3-18-2008, before me, R. Cramer, Notary
Public, personally appeared Rob ~~son~~ Cognill

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

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

WITNESS my hand and official seal.

Signature [Handwritten Signature]



My Commission Expires: Aug. 27, 2011

This area for official notarial seal

Notary Name: _____
Notary Registration Number: _____

Notary Phone: _____
County of Principal Place of Business: _____

RECORDING REQUESTED BY:
Nipomo Community Services District

WHEN RECORDED RETURN TO:
Nipomo Community Services District
P. O. Box 326
Nipomo, CA 93444

APN #091-296-052 & 091-297-001

DECLARATION AND RESTRICTIVE COVENANTS

This Declaration and Restrictive Covenants (herein "Declaration") is made this 18th day of March, 2008, by Margarita Valley Ranch L.L.C., hereinafter referred to as "Declarant."

RECITALS

WHEREAS, Declarant is the owner of certain real property (herein "Property") known as Lot 34, Tract 2331 and Lot 19 Tract 2499. Said real property is described as follows:

APN # 091-296-052

Lot 34 of Tract 2331, in the County of San Luis Obispo, State of California, according to map recorded April 4, 2000 in Book 19, Page 8 of Maps.

And,

APN # 091-297-001

Lot 19 of Tract 2499, in the County of San Luis Obispo, State of California, according to map recorded May 21, 2007 in Book 30, Pages 27 through 36 of Maps, in the office of the County Recorder of said county.

WHEREAS, by this Declaration, Declarant states the terms, conditions and restrictions upon the use of said Property.

Now, therefore, Declarant agrees and declares as follows:

RESTRICTIVE COVENANT

1. Use of the well on Lot 19 of Tract 2499, as depicted in Exhibit "A", shall be restricted to one dwelling unit (as depicted on Exhibit "A") and irrigation of crops associated with Lot 34 of Tract 2331 and Lot 19 of Tract 2499.

2. Except for the well referenced in paragraph 1, above, no other well or wells shall be developed, constructed or operated on the Property.

MISCELLANEOUS

A. Said property shall be held, transferred, encumbered, used, sold, conveyed, leased, and occupied subject to this Restrictive Covenants and this Declaration shall run with the Property herein described and shall bind respective owners of said Property, their heirs, legal representatives, grantees, and assigns and shall inure to the benefit of the Nipomo Community Services District its successors and assigns.

B. This Declaration shall be governed by the laws of the State of California. Any litigation regarding this Declaration or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

C. This Declaration shall be recorded in the Official Records of the County Recorder's Office, San Luis Obispo County.

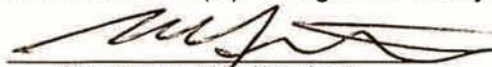
D. In the event of any controversy or claims relating to this Declaration or breach thereof the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

AUTHORITY TO EXECUTE.

All parties to this Declaration warrant and represent that they have the power and authority to enter into this Declaration in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Declaration have been fully complied with. Further, by entering into this Declaration, Declarant(s) hereby warrants that Declarant(s) shall not have breached the terms or conditions of any other contract or agreement to which Declarant(s) is obligated, which breach would have a material effect thereon.

IN WITNESS WHEREOF, the Declarant has executed this Agreement to be effective the day and year first written above.

DECLARANT(S): Margarita Valley Ranch, LLC


[Signature must be Notarized]

Greg Nester, Managing Member
[Type or print name]

Date: 3-18-08

EXHIBIT "A"

Tract Map No. 2499



DENOTES LOT 19



Dawn Road

Calle Fresa

P o m e r o y

R o a d

VIA SECO

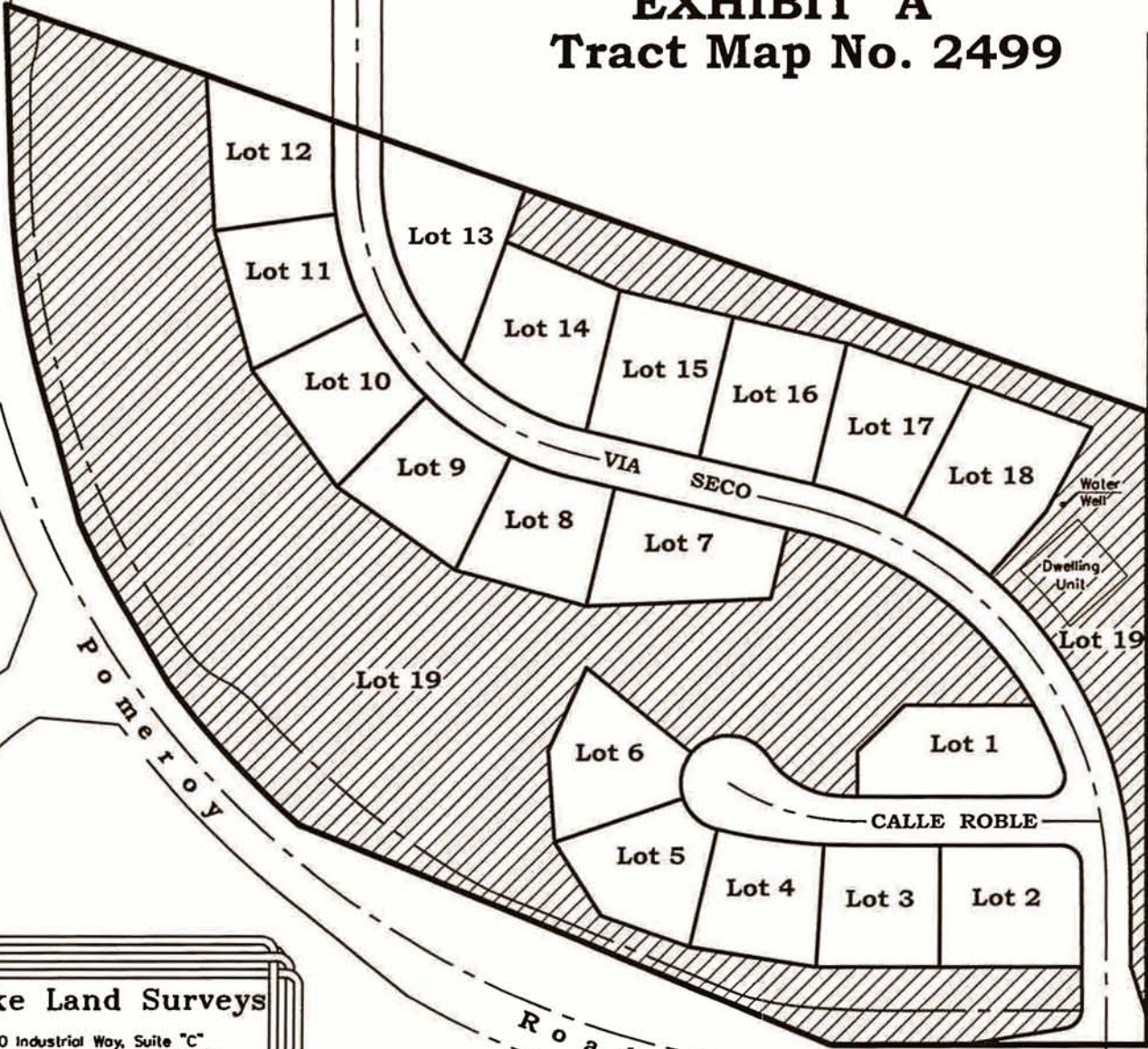
CALLE ROBLE

Blake Land Surveys

250 Industrial Way, Suite "C"
P.O. Box 869, Buellton, CA 93427
tel 805-688-2054

Est. 1980 PLS 4786

Waypoint Drive



State of California)
County of San Luis Obispo)

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

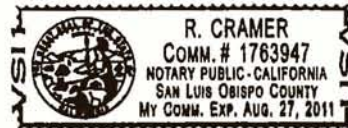
On 3-18-2008 before me, R. Cramer
(here insert name and title of the officer)

personally appeared Greg Neeter

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

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

WITNESS my hand and official seal.



Signature [Handwritten Signature]

(Seal)

OPTIONAL INFORMATION

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

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of Declaration + Restrictive Covenants containing 3 pages, and dated 3-18-08.

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

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

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

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

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

- Additional Signer(s) Signer(s) Thumbprint(s)
- _____

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL DOCUMENT
AND TAX STATEMENT TO:

Heritage Oaks Bank
361 Town Center West
Santa Maria, CA 93458

Space Above This Line for Recorder's Use Only

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT BY BECOMING SUBJECT TO THE TERMS, COVENANTS, CONDITIONS, AND RESTRICTIONS OF THE FOREGOING DECLARATION AND RESTRICTIVE COVENANTS DATED MARCH 18, 2008. (THIS NOTICE REQUIRED BY CALIFORNIA CIVIL CODE SECTION 2953.3.)

The undersigned, beneficiary under that certain Deed of Trust dated May 25, 2007, recorded June 8, 2007 as Document No. 2007-038154, of the Official Records in the Office of the County Recorder of the County of San Luis Obispo, State of California, does hereby join in, and consent to, each and all of the terms and provisions of the Declaration and Restrictive Covenants dated March 18, 2008 executed by Margarita Valley Ranch, LLC, Greg Nester, Managing member recorded concurrently herewith, and does hereby subordinate its interest to the entire effect of this declaration.

SIGNED AND EXECUTED this 18th day of March, 2008.

Beneficiary:

Marg Hill, VP
HERITAGE OAKS BANK

STATE OF California)SS
COUNTY OF San Luis Obispo

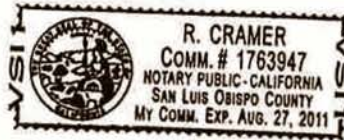
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My Commission Expires: Aug. 27, 2011

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Notary Name: _____

Notary Phone: _____

Notary Registration Number: _____

County of Principal Place of Business: _____