

SAUNDERS MEADOW, INC.

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 16th day of JULY, 1980, by SAUNDERS MEADOW, INC., a California corporation, hereinafter referred to as "Saunders", or "Declarant".

WITNESSETH:

WHEREAS, SAUNDERS is the owner of record of Lot 1, Tract No. 5103, and Lots 1 through 57 of Tract No. 11049, including common areas, in the County of Riverside, State of California, according to map recorded in Book 114, Pages 66-73, inclusive, records of said County, and

WHEREAS, each shareholder of Saunders is entitled to the exclusive use of one of the lots in Tract No. 11049 and is the owner of the improvements thereon, and

WHEREAS, said land was formerly owned by the National Forest Service and was leased to individuals under permits authorizing the lessees to maintain summer homes and/or recreational residences on their respective lots; and lessees were subject to the policy, rules and restrictions of the National Forest Service which regulated the use by lessees of their respective lots, and

WHEREAS, each lessee was a member of TAHQUITZ MEADOW IMPROVEMENT ASSOCIATION and was subject to the rules developed by said association for the common benefit of all lessee/members, and

WHEREAS, said land was acquired by Saunders by a land exchange with the National Forest Service; the land given by Saunders in said land exchange was acquired with funds contributed by the members of Tahquitz who desired to participate in order to obtain the ownership of their respective lots along with a joint ownership of the common areas, and

WHEREAS, after fee title is transferred to each lot owner together with an undivided ownership interest in the common areas, it is intended that Saunders will be dissolved, and

WHEREAS, Declarant desires to establish a general plan consistent with the rules of Tahquitz and the prior policy of the National Forest Service for the maintenance of said tract which will enhance and protect the value, desirability and attractiveness of the lands and every part thereof and will bind and inure to the benefit of the owners, heirs, successors and assigns of each of said lots, present and future, and

WHEREAS, there is a limited water supply, and

WHEREAS, in accordance with said general plan, Declarant desires to subject said tracts to the following covenants, conditions and restrictions and reservations upon and subject to which all or any portion of said tract shall be held, improved and conveyed,

NOW, THEREFORE, Declarant does hereby adopt and establish the following restrictions, covenants, limitations, and conditions and uses to which said real property in said tract, and the improvements thereon, may be held and put, which restrictions, covenants, limitations, conditions and uses shall be equitable servitudes, and each and all of which shall apply and bind not only Declarant, while the owner of any part or portion of said

real property, but also each and every future owner or lessee thereof, or any part thereof, or interest therein, and shall inure to the benefit of not only Declarant, but also to the benefit of each and every owner thereof and may be enforced not only by Declarant, but by any parties having or acquiring any right, title or interest in the described properties or any part thereof.

ARTICLE I
DEFINITIONS

As used in this Declaration unless the context otherwise requires,

Section 1. "Tahquitz" shall mean Tahquitz Meadow Improvement Association, a non-profit unincorporated association and "Saunders" shall mean Saunders Meadow, Inc., a California corporation, existing under and by virtue of the laws of the State of California, or its successor. "Association" shall mean Tahquitz and/or Saunders, whichever is the appropriate entity under the circumstances or any successor organization to either or both of the above named entities.

Section 2. "Properties" shall mean and refer to that certain real property hereinbefore described.

Section 3. "Common Area" shall mean Lot 1 of Tract No. 5103 and that area as shown on Tract Map No. 11049 which is not part of a specific lot and all reversionary interests in and to the roads offered for dedication as shown on the Map of said Tract; together with any other interests in real property or personal property hereafter conveyed to Tahquitz, Saunders or owners for common area purposes.

Section 4. "Lot" shall mean and refer to any one of the fifty-seven (57) lots shown upon the recorded subdivision map with the exception of the common area.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in Tahquitz.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, or the fee simple to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Mortgage" shall mean and include a deed of trust as well as a mortgage in the conventional sense.

Section 8. "Mortgagee" shall mean and include a beneficiary under a holder of a deed of trust as well as a mortgagee.

Section 9. "Shareholder" shall mean and include every person or entity who is the holder of record or beneficial owner of shares of the capital stock of Saunders.

ARTICLE II

MEMBERSHIP IN ASSOCIATION

Section 1. Membership. Every owner of a lot shall be a member of the Association but there shall be only one voting member for each lot. The terms and provisions set forth in this Declaration are binding upon all owners of all lots and all members of Tahquitz and shareholders of Saunders, and members of the successor association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. The ownership of a membership in Association shall be appurtenant to and may not be separated from the ownership of any lot. Ownership of such lot shall be the sole qualification for membership in the Association. Only individuals may be an owner and no member may own more than one lot.

Section 2. Transfer. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the owner of any lot should fail or refuse to transfer the membership registered in his name to the purchaser of such lot, the Association shall have the right to record the transfer upon their books.

ARTICLE III

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members Rights of Enjoyment. Every member shall have a right of enjoyment in and to the common area and such right shall be appurtenant to and shall pass with the title to every lot.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1.) annual assessments or charges, and (2.) special assessments for capital improvements in accordance with the provisions of Section 3. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorneys fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due and shall not

pass to his successor in title unless expressly assumed by them. Sale or transfer of any lot shall not affect the assessment lien, and the Association may require the payment of said assessment as a condition of recording the transfer of said membership.

Section 2. Annual Assessments. The annual assessment shall be the amount to cover the estimated operating expenses of the Association for the ensuing fiscal year, including repairs and maintenance but excluding capital expenditures. The amount and time of payment of regular assessments shall be determined by the Board of Directors of Association after giving due consideration to the current maintenance costs and future needs of the Association. Written notice of the amount of an assessment, regular or special, shall be sent to every owner, and the due date for the payment of same shall be set forth in said notice.

Section 3. Special Assessments for Capital Improvements. In addition to the regular assessments, the Association may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement or addition to the water system, the necessary facilities for fire protection or to maintain or preserve the natural environment of the common area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

Section 4. Annual and Special Assessments. Annual and special assessments must be fixed at a uniform rate for all lots and may be collected on such basis as the Board of Directors of the Association may determine.

ARTICLE V

NON-PAYMENT OF ASSESSMENTS

Section 1. Delinquency. Any assessment provided for in this Declaration, which is not paid when due, shall be delinquent. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten (10%) per cent per annum, and the Association may, at its option, bring an action at law against the owner personally obligated to pay the same, or upon compliance with the notice provisions set forth in Section 2 hereof, to foreclose its lien against the lot, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney's fee, together with the costs of action. Each owner vests in the Association, or its assigns, the right and power to bring all actions at law or lien foreclosure against such owner or other owners for the collection of such delinquent assessments.

Section 2. Notice of Lien. No action shall be brought to foreclose said assessment lien or to proceed under the power of sale herein until sixty (60) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the owner of said lot, and a copy thereof is recorded by the Association in the office of the County Recorder in which the properties are located; said notice of claim

must recite a good and sufficient legal description of any such lot, the record owner or reputed owner thereof, the amount claimed (which shall include interest on the unpaid assessment at the rate of ten (10%) per cent per annum, plus reasonable attorneys fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant.

Section 3. Foreclosure Sale. Any such sale provided for above is to be conducted in accordance with the provisions of Section 2924, 2924b and 2924c of the Civil Code of the State of California, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 4. Curing the Default. Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association shall file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting owner of a fee, to be determined by the Association, but not to exceed Fifty (\$50.00) Dollars, to cover the costs of preparing and filing or recording such release, together with the payment of such other costs, interest or fees as shall have been incurred.

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

ARTICLE VI
USE RESTRICTIONS

Section 1. All lots shall be used for residential purposes. All lots shall be used, improved and occupied in accordance with the uses prescribed by the County of Riverside under Zoning Classification R-5.

Section 2. No new buildings, and/or other new external additions to existing buildings shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure having been approved by the Board of Directors or designated committee of the Association as to harmony of external design with existing structures and as to location with respect to topography and finished grade elevation. Not more than one residence, garage and woodshed shall be permitted on any one lot.

Section 3. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. The use of chain saws before the hour of 8:00 a.m. should be restricted.

Section 4. No structure of a temporary character, i.e., trailer, recreational vehicle, basement, tent, shack, garage, barn or other out building shall be used on any lot at any time as a residence either temporarily or permanently.

Section 5. No derrick or other structure designed for use in boring, mining or quarrying for oil or natural gas or precious minerals shall ever be erected, maintained or permitted upon any lot in said tract.

Section 6. The Association owns and maintains its water system. The system is adequate only for normal household use. Any other use shall be at the discretion of the Water Committee. There will be no outside watering or waste water in any way. All lines are to be drained and main valves turned off whenever the owner leaves. There will be no tampering with valves other than those situated on each owners lot. Any major leak or trouble in the water system shall be reported to the Water Committee or a member of the Board of Directors of the Association. Use of water is contingent upon the owner being in good standing with all dues, fees and assessments paid. Excessive use of water may lead to suspension of service.

Section 7. There shall be no sub-division or splitting of any lots, or the creating of new lots from the common area.

Section 8. The use of bright-colored mortar or stucco, corrugated iron, tar paper, or cobblestones will not be permitted. Stains are preferable to paints for outside wood surfaces. The natural wood color may be retained or stains may be colored to produce a neutral brown or weathered gray. Where paint is required, soft browns and greens are preferred. Window and door casings and other outside trim must harmonize with the background and should not present strong contrasts. No white trim will be allowed.

Section 9. Stone, brick, or concrete block chimneys must extend to a solid ground foundation with adequate footing below frostline, and must be of fireproof construction lined with flue tile or fire brick. All exposed surfaces must be in keeping with the exposed building foundation. Factory-built chimneys and fireplaces shall be Underwriter's Laboratories listed and installed in accordance with the UL listing.

Section 10. The following roof coverings are acceptable: For high-pitched roofs - shakes and other wood shingles, composition shingles (mineral-surfaced and asbestos), tile, fiberglass and other flexible materials; For low-pitched or flat roofs - composition or built-up roofing with a gravel topping is permitted. Corrugated metal, single-ply roll roofing, or tar paper is not permitted. Roof colors must harmonize with the walls. Flat metal or aluminum must be painted an approved color and kept painted.

Section 11. Acceptable spark arresters shall be installed on chimneys and flues. The roofs of all buildings shall be kept clear of leaves and other flammable material. All stoves, heating systems, and electrical wiring shall comply with the building and electrical codes of the National Board of Fire Underwriters and Riverside County. The need for, location of, and details incident to firelanes and other area fireproofing will be prescribed by the Association. Open fires are prohibited.

Section 12. Natural forest conditions will be preserved to the fullest extent. Tree pruning and clearance will be held to the minimum and may be done only under the direction of the Association. Urbanlike flowerbeds and mowed lawns are not desired. Walks must be gravel or native stone; and the use of painted or whitewashed rocks or trees and other types of decorations foreign to the natural environment are not approved.

Section 13. No more than one sign will be permitted for each residence. Text will be limited to the owner's name and/or name of residence. Over-all dimensions will be the minimum required to present the text in letters of reasonable size. Only rustic, routed type signs with painted letters and stained background will be permitted. "Private Property" or "No Trespassing" signs will not be permitted. All signs are subject to the approval of the Board of Directors of the Association.

Section 14. Each owner of a lot in said tract agrees for himself, his heirs, assigns or successors in interest, that he will permit free access by owners of adjacent or adjoining lots to slopes or drainage ways located on his property which affect said adjacent or adjoining lots, when such an access is essential for the maintenance of permanent stabilization on said slopes or maintenance of the drainage facilities for the protection and use of property other than the lot on which the slope or drainage way is located.

Section 15. Each owner of a lot in said tract agrees for himself and his assigns that he will not in any way interfere with the established drainage pattern over his lot from adjoining or other lots in said tract, and that he will make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his lot. For the purposes herei , "established drainage" is defined as the drainage which occurred at the date of recording hereof.

Section 16. Each owner has the responsibility for the general maintenance and cleanliness of his lot, including removal of leaves, needles, dead branches, etc. to the distance prescribed by local fire department regulations. All garbage and rubbish shall be hauled to the Riverside County Disposal Area. There will be no burying of rubbish or garbage.

Section 17. No turkeys, geese, chickens, rabbits, goats, cattle, horses, mules, ducks or any other animals usually termed farm animals or bees shall be kept or allowed to be kept on said property.

Section 18. Cutting of trees, native shrubs and plants, alive or dead, is prohibited except with permission of the Board of Directors of the Association.

Section 19. This is a game refuge. Firing of guns is prohibited and dogs must be kept on a leash or under control at all times.

Section 20. No fences shall be allowed.

Section 21. Owners and their guests shall restrict their use of motorcycles and other vehicles to dedicated roads.

Section 22. No commercial enterprise shall be conducted from any cabin residence or other building in this tract. Vehicles with commercial signs shall not be parked or stored within the tract.

Section 23. The lots shall be used for residential purposes. They shall not be used commercially. For purposes of this paragraph, rental of a lot for more than a total of thirty (30) days in a calendar year shall be deemed to be a commercial use. Any advertising or any listing of the lot with a real estate broker for rental purposes shall be deemed to be commercial use. Upon the showing of hardship or necessity, the Board of Directors of the Association may relieve an owner of the provisions of this section.

ARTICLE VII
GENERAL PROVISIONS

Section 1. "Transfer of Ownership". Any owner who sells or transfers his interest in his lot shall notify the Association of the name and address of the new owner. Owner must also advise the new owner of the existence of these covenants, conditions and restrictions and of the By-Laws and rules and regulations of the Association. The Association shall have no responsibility to the new owner unless notified of said change. The Association may charge a \$100.00 one hundred Dollar transfer fee which may increase or decrease by a majority vote of the membership at any annual meeting of the Association.

Section 2. "Enforcement". The Association, through the Board of Directors, shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver by owners of their right to do so thereafter. If any action shall be brought to enforce these covenants, conditions and restrictions, including amendments, the prevailing party shall be entitled to recover its costs of suit and reasonable attorneys fees.

Section 3. "Severability". Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 4. "Amendment". The covenants and restrictions of this Declaration shall run with and bind the land, and shall

inure to the benefit of and be enforceable by the Association, and the lot owners and by their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded. The covenants and restrictions of this Declaration may be amended at any time by an instrument signed by not less than forty-eight (48) owners of the fifty-seven (57) lots. Any amendments must be properly recorded.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set their hand and seal this 16th day of JULY, 1980.

SAUNDERS MEADOW, INC.

By *H. Elwood Wissmann*
H. ELWOOD WISSMANN, President

By *Quentin A. Edwards*
QUENTIN A. EDWARDS, Secretary

stricted and restricted to particular purposes, for the fiscal year.

(4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

(5) Any information required by California Corporations Code section 6322.

ARTICLE XI

Amendments

Membership

Section 1: Shareholder Meetings. The by-laws of this corporation may be adopted, amended or repealed at any ^{members'} ~~shareholder's~~ meeting called for that purpose, by a vote of ^{members} ~~shareholders~~ entitled to exercise not less than 67% of the voting power in attendance at said meeting, whether in person or by proxy.

app


Section 2: Without a Meeting. The by-laws of this corporation may be amended or repealed by the written assent of not less than 67% of ^{members} all the ~~shareholders~~.

CERTIFICATE OF SECRETARY

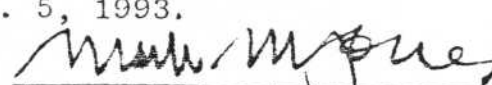
I, the undersigned, certify that I am the presently elected and acting Secretary of SAUNDERS MEADOW, INC., a California nonprofit corporation, and the above by-laws, consisting of 24 pages, are the ^{members} ~~shareholders~~ by-laws of this corporation as adopted at a meeting of ~~shareholders~~ held on July 5, 1980.

Dated July 5, 1980

Executed at Edyllwild


Quentin A. Edwards, Secretary

Amended by vote of the Membership, Sept. 5, 1993.


Mark H. Jones, Secretary

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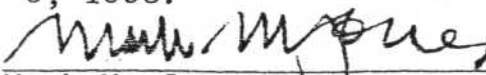
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