WHEREAS, PACIFIC CASCADE LAND COMPANY, INC., hereinafter called "Declarant," is the owner of that certain real property located in the County of Siskiyou, State of California, described as:

Lots 1 through 211, inclusive, as said lots are shown on the map of Klamath River Country Estates, Unit #3, filed in Town Map Book #6 on pages 131 to 137 inclusive, Official Records of Siskiyou County.

WHEREAS, it is the desire and intention of the Declarant to subdivide said real property described in such manner that the owner of each Lots 1 through 9 inclusive, and Lots 11 through 211 inclusive, shall also own an undivided interest in Lot 10 and all equestrian easements shown on said map of Klamath River Country Estates, Unit #3, title to be held by Klamath River Country Estates Owners' Association, Inc., and to impose on said real property mutually beneficial restrictions under a general plan or scheme of improvement for the benefit of all of said lots, the structures thereon and the future owners thereof.

NOW THEREFORE, the Declarant hereby declares that all of the real property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement and sale of real property and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of the real property and every part thereof. All of the limitations, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described real property or any part thereof, and shall be for the benefit of each owner of any portion of said real property, or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof.
ARTICLE I
Definitions

As used in this Declaration, the following definitions shall apply, unless the context otherwise requires:

(a) Articles of Incorporation and By-Laws: Articles of Incorporation or By-Laws, or both, as the case may be, of the Association as the same may be amended from time to time.

(b) Association: Klamath River Country Estates Owners' Association, Inc., a non-profit California corporation.

(c) Common Area: The property delineated and identified as Lot 10, and all equestrian easements as shown on the map.

(d) Owner: Each person shown by a duly acknowledged instrument recorded in the office of the County Recorder of Siskiyou County, California, to be the owner of a fee interest in a unit ownership.

(e) Residence Lot: The portion of a unit ownership as to which an owner is entitled to exclusive occupancy, and including all structures and improvements thereon.

(f) Unit Ownership: The entire interest conveyed by deed to an owner, including the residence lot and the related interest in the common area. There shall be one unit ownership for each residence lot. Until any residence lot is deeded out to a successor owner by the Declarant of the subdivider, the Declarant or subdivider as owner of record shall be recognized as its owner and until so deeded out, assessments on the unit ownership comprising such residence lot shall be the debt of the Declarant or subdivider who is record owner.

ARTICLE II
Additions to Existing Property

Additional properties will be brought within the scheme of this Declaration in future stages of the development, consisting of additional single family lots and common recreational areas as shown on the tentative map approved by Siskiyou.
County and on file with the California Division of Real Estate, provided as follows:
(1) That such additions are in accord with a General Plan of Development prepared
prior to the sale of any lot and made known to every purchaser (which may be done
by brochure delivered to each purchaser) prior to such sale; and (2) that the annexation
of such properties must take place within three years from date of issuance of the
last Final Subdivision Public Report.

Such General Plan of Development shall show the proposed additions to the
Existing Property and contain: (1) A general indication of size and location of
additional development stages and proposed land used in each; (2) the approximate
size and location of common properties proposed for each stage; (3) the general
nature of proposed common facilities and improvements; and (4) a statement that the
proposed additions, if made, will become subject to assessment for their just share
of Association expenses.

The covenants and restrictions of this Declaration are supplementary to the
Klamath River Country Estates Unit #1 Declaration of Covenants and Restrictions,
Klamath River Country Estates Owners' Association, Inc., filed September 28, 1967,
as No. 2989, Volume 548, Official Records Page 513, inclusive, Official Records of
Siskiyou County; and Klamath River Country Estates Unit #2 Declaration of
Covenants, Conditions and Restrictions, Klamath River Country Estates Owners'
Association, Inc., filed June 5, 1968, as No. 10964, Volume 559, Official Records
Page 406, Official Records of Siskiyou County.

Such supplementary Declaration may contain such complementary additions
and modifications of the covenants and restrictions contained in this Declaration
as may be necessary to reflect the different character, if any, of the added
properties and as are not inconsistent with the scheme of this Declaration. In no
event, however, shall such Supplementary Declaration revoke, modify or add to the
covenants established by this Declaration within the Existing Property.

ARTICLE III

Occupancy and Use of Residence Lots and Common Area

Section 1. Residence Lots: Each residence lot as designated on the record
map for Klamath River Country Estates Unit #3 shall be used as a residence for one
single family and for no other purposes; "Single Family" as used herein shall or
may include the casual guests of such family and the domestic employees or servants
of such family.

Section 2. Architectural Control: The following requirements shall be
followed on all residence lots:

(a) That no building to be occupied as a residence with a floor area of less
than 600 square feet shall be placed or maintained on said property.

(b) That no building shall be erected nearer to any side line than 10 feet, no
shall be located closer than 25 feet from the front or street and shall be no closer
than 20 feet to the rear line.

(c) That no basement, shack, garage, barn or other outbuildings erected in
the Tract shall at any time be used as a residence temporarily or permanently, nor
shall any structure of a temporary character be used as a residence, except as
hereinafter provided.

(d) That a house trailer or mobile home may be used as a dwelling; provided,
however, that said house trailer or mobile home must contain a minimum floor area
of 400 square feet; must be approved in writing by the Architectural Control Board,
and must comply with all applicable sections of the Siskiyou County Code.

(e) Individual sewage disposal system shall be designed in accordance with
all applicable sections of the Siskiyou County Code and shall be subject to the
inspection of and approval by the Siskiyou County Health Department.

(f) No house, garage, outbuildings, fence or other structure shall be built,
erected, placed or altered on any residential lot on said subdivision unless and
until the building plans, specifications and plot plan have been reviewed in
advance by the Architectural Control Board, and the same has been approved con-
ditionally or otherwise. Said review and approval shall include without being
restricted to, topography, finish ground elevations, landscaping, drainage, color,
materi al, design, artistic conformity to the terrain and other residences in the area,
and architectural symmetry. Said requirements as to the approval of the architectural
design shall apply only to the exterior appearances of said improvements. It not
being the intent of these restrictions to control the interior layout or design of said
structures.
Said Architectural Control Board will be appointed by Declarant. At any time after 75% or more of the said lots have been sold, or within three years after issuance of the public report, whichever occurs first, the Association shall have the power to change the membership of the committee and appoint members to the committee thereafter.

(g) All septic tank disposal fields and domestic water well sites shall be submitted to the Architectural Control Board for review and approval as to location prior to the installation and construction of same.

Section 3: Common Area: The common area shall be preserved as open space and used for recreational purposes and other purposes incidental and ancillary to the prescribed use of the residence lots. There shall be no obstruction of the common area, nor shall anything be altered or constructed in or removed from or stored in the common area without the written consent of the Association. The common area shall be continuously maintained pursuant to the terms of this Declaration for the exclusive use and benefit of the residence lots and the occupants thereof subject to the Declaration.

Section 4: Nuisances: No noxious or offensive activity shall be carried on in or on any residence lot or in the common area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners.

ARTICLE IV

Association

Section 1: Powers and Duties: The Association shall perform each and every duty required of it by this Declaration.

Section 2: Enforcement: The Association shall have the duty to enforce the provisions of this Declaration, including the duty to seek to enjoy any breach or threatened breach of any of the provisions hereof, and to pay all costs of any such action or other enforcement procedure.

Section 3: Taxes: Except to the extent separately assessed and charged to the owners of the unit ownerships the Association shall have the authority and duty to pay all taxes and assessments, if any, levied against the common area or the subject property generally.
Section 4: Utilities: To the extent possible all utilities such as electricity, gas, water, telephone, television, trash pickup and like services shall be separately metered and/or charged to the owners, but the Association shall have the authority and duty to pay for the utilities and utility services required for the common area.

Section 5: Contracts with Adjoining Associations or Land Owners: The Association shall have the authority and power to enter into contracts with owners of lands adjoining or near the subject property and with associations having powers with reference to said land similar to the powers held by the Association. Any contracts so entered into may provide, among other things, a joint installation, maintenance and repair of facilities benefiting subject property and other lands for the joint retainer of and use of maintenance, professional and management services for the joint discharge of any of the duties of each party to such contract to the extent that the duties so defined shall not be inconsistent with the duties, powers and rights of the Association as herein defined. The right conferred upon the Association to contract with land owners of adjacent lands shall include the right to merge with and into such management bodies or associates.

Section 6: Improvements: The Association shall have the authority and power to construct, improve, repair and reconstruct any and all improvements on or over or under the common area not inconsistent with this Declaration, and appropriate for the use and benefit of the members of the Association, and to charge for the use thereof. Provided, however, that no capital improvements to be funded or paid for by any assessment levied pursuant to the provisions of Article V hereof shall be made unless such capital improvements shall first have been authorized by a vote of two-third majority of the voting power of the Association excluding the vote of the Declarant and the subdivider.

ARTICLE V

Assessments

Section 1: Annual Assessments: Not less than thirty days prior to the beginning of each calendar year, the Association shall estimate the net cash requirements for the ensuing year necessary for the Association to operate and to maintain the property subject to the jurisdiction in accordance with the duties, and each unit ownership shall be assessed for an equal pro rata share of the amount so estimated.
Section 2: **Special Assessments:** In addition, if the annual assessment is inadequate or anticipated to be inadequate, the Association may from time to time establish a special assessment to remedy any such inadequacy, and each unit ownership shall be assessed for an equal pro rata share of any such special assessment.

Section 3: **Costs and Interest:** In addition to the foregoing assessments, each unit ownership shall also be assessed from time to time costs (including reasonable attorney’s fees) incurred in collecting the foregoing assessments and interest at the rate of six percent (6%) per year from the late payment of such assessments.

Section 4: **Payment:** The Association shall inform each owner in writing of all assessments against his unit ownership. The annual assessment shall be payable in equal monthly installments in advance on the first day of each month of the year to which such assessment pertains unless other provisions are made therefore by the Association at the time of its determination and assessment of such annual assessment. Special and individual assessments shall be payable in full in the first day of the first month next following the date on which the owner is informed of such assessment, unless other provision is made therefore by the Association.

Section 5: **Debt:** An assessment upon any unit ownership shall be a debt of the owner thereof at the time the assessment is made.

**ARTICLE VI**

**Liens**

Section 1: **General:** The amount of any assessment, plus any other charges thereon, such as interest and costs, as may be provided for in this Declaration, shall be and become a lien upon the unit ownership assessed when the Association causes to be recorded with the County Recorder of Siskiyou County, California, a notice of assessment, which shall state the amount of such assessment and such other charges as may be authorized by this Declaration, a description of the unit ownership against which the same have been assessed, and the name of the record owner thereof. Such notice shall be signed by an authorized representative of the Association. Upon payment of said assessment and charges in connection with which such notice has been so recorded, or other satisfaction the eof, the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof.

Such lien shall be prior to all other liens recorded subsequent to the recordation
of said notice of assessment, except that such liens shall be subordinate to any valid bonafide first mortgage or first trust deed which has been or may hereafter be given in good faith and for value on any unit ownership covered by this Declaration provided, however, and subject to the condition that the conditions and restrictions contained in this Declaration shall be binding upon and effective against the owners of any lot in the unit whose title thereto is required by foreclosure of any mortgage or deed of trust or otherwise. Any lien imposed upon any unit ownership pursuant to these restrictions shall remain and continue in full force and effect until satisfied and released.

Such lien may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the owner to pay such an assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Sections 2924, 2924b and 2924c of the California Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association shall have power to bid in the unit ownership at foreclosure sale and to hold, lease, mortgage and convey the same.

ARTICLE VII

Repair and Restoration

Section 1: Owners; The owner of each residence lot shall at his own expense maintain, and in the case of damage or destruction, shall repair or restore his residence lot and all improvements thereon. All such repair or restoration shall be done substantially in accordance with the original plans and specifications, or in accordance with any modification thereof as approved by the Association. If the owner shall fail to perform his obligations under this Section 1 of this Article VII, the Association shall be authorized to effect such repairs or restoration and charge such owner all costs thereof.

Section 2: The Association; The Association shall have the obligation to maintain at its expense, and in case of damage or destruction shall promptly repair or restore at its expense, the common area and all improvements thereon.

Section 3: Apportionment of Expenses; If two or more owners cannot agree on the apportionment of expenses of maintenance and repair or restoration, they shall be conclusively apportioned by the Association. If the Association is involved in
a dispute over the apportionment of such expenses, then the dispute shall be settled by arbitration as provided in Article IX.

Section 4. Liens: If the Association undertakes any work which Section 1 hereof requires an owner to undertake, the Association shall assess the unit ownership of the owner for such work and shall so inform the owner thereof in writing. Such assessment shall be a lien upon the unit ownership of the owner and may be foreclosed as set forth in Articles V and VI hereof.

ARTICLE VIII

Easements

Section 1: Ingress, Egress and Support: An easement for ingress, egress and support through the common area is appurtenant to each residence lot and the common area is subject to such easements.

Section 2: Rights of Association: There is reserved to the Association an easement, to which the entire project shall be subject, of entry and of access for the performance generally of its rights and duties as provided in this Declaration. Entry into the residence of an owner pursuant to this easement shall be restricted to reasonable times and must be preceded by reasonable notice to the occupant, unless entry is required by an emergency.

Section 3: Private Roads: There is reserved for the benefit of each residence lot an easement for ingress and egress over and upon any and all private roads delineated on the map of Klamath River Country Estates, Unit No. 3, filed in Town Map Book on page , inclusive, official records of Siskiyou County.

ARTICLE IX

Miscellaneous

Section 1: Limitation of Powers: No contract shall be entered into which shall bind the Association in excess of one year without reasonable cancellation provisions included therein. The Association shall not incur debt in excess of One Thousand Dollars ($1,000) per year for the purchase of real or personal property, the issuance of bonds or debentures, or the mortgage of any of its property, nor acquire real or personal property by purchase, nor lease, convey, sell, assign, transfer, mortgage, or otherwise encumber or dedicate for public use any real or personal property owned by it without the prior vote or written consent of two-thirds majority of its members entitled to vote excluding the vote of the Declarant and Subdivider.
Section 2: Acceptance of Provisions by Grantees; The Association and each Grantee hereafter of any part or portion or interest in the project, and any purchaser under any grant or contract of sale, or any lessee under any lease covering any part or portion of interest in the project, accepts the same subject to all of the restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers of the Association and Declarant provided for in this Declaration.

Section 3: Conclusiveness of Records; A certificate of the Secretary of the Association, or in his absence, of any two members of the Association, shall be conclusive proof of all matters contained in the certificate when the certificate shall relate to acts or non-acts of the Association, its Board of Directors, or any committee or agent of the Association, and when the certificate shall be prepared for or delivered to any title insurer or land abstractor for use in a search, in preparing an abstract or in insuring title or in any unit ownership or other interest therein or lien thereupon. For the same purposes a certificate of any officer of Declarant shall be conclusive proof of its contents.

Section 4: Construction and Validity of Restrictions; All of said restrictions, conditions, covenants, reservations, liens and charges contained in this Declaration shall be construed together, but if it shall at any time be held that any one or more of such restrictions, conditions, covenants, reservations, liens or charges, or any part thereof, shall be thereby affected or impaired.

Section 5: Assignment of Powers; Any and all rights, and powers of Declarant provided for in this Declaration, and any modification or amendment hereof, may be delegated, transferred, assigned, conveyed or released by Declarant to the Association, and the Association shall accept the same upon the recording of a notice thereof, and the same shall be effective for the period and to the extent stated therein.

Section 6: Waiver and Exemptions; The failure by the Association or of Declarant or of any owner of any unit ownership included in the project, or any other person, to enforce any of the restrictions, conditions, covenants, reservations, liens or charges to which said unit ownership or any part thereof is subject, shall in no event be deemed a waiver of the right to do so thereafter or to enforce any other restriction, condition, covenant, reservation, lien or charge.
Section 7: **Titles:** All titles used in this Declaration, including those of articles, sections and subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them affect that which is set forth in such article, section or subsection nor any of the terms or provisions of this Declaration nor the meaning thereof.

Section 8: **Arbitration:** If the Association and one or more owners are unable to agree on the meaning or effect of any part of this Declaration, the dispute shall be conclusively settled by arbitration. The Association shall name one arbitrator; the owner or owners shall name one arbitrator. The two arbitrators so named shall name a third, and these three shall resolve the dispute.

Section 9: **Amendment:** This Declaration may be amended upon vote or consent of not less than a 75% majority in interest of the owners in the project given after reasonable notice.

Any amendment shall be binding upon every owner and every unit ownership whether the burdens thereon are increased or decreased thereby, and whether the owner of each and every unit ownership consents thereto or not.

Section 10: **Duration:** The restrictions of this Declaration shall continue in full force and effect for a period of sixty years from the date of recordation of this Declaration, unless otherwise extended by a majority of the then property owners.

IN WITNESS WHEREOF the undersigned has caused this Declaration to be executed this 17th day of October, 1968.

DECLARANT: PACIFIC CASCADE LAND COMPANY, INC.

John Sparrowk, Vice President
Charles W. Mertel, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF Alameda

PAULA A. TINER
NOTARY PUBLIC CALIFORNIA
COUNTY OF ALAMEDA
July 31, 1972

October 17, 1968

before me, the undersigned, a Notary Public in and for the said State, personally appeared John Sparrowk, known to me to be the Vice President, and Charles W. Mertel, known to me to be the Assistant Secretary of PACIFIC CASCADE LAND COMPANY, INC.

the Corporation that executed the within instrument, known to me to be the person who executed the within instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within instrument pursuant to the by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Paula A. Tiner
Notary Public
in and for said State.

Acknowledged by: Vice President and Assistant Secretary.