STATE OF ARIZONA, County of Yevapet-is 20078

I do hereby certify that the within instrument was find and recorded at the request of Equal 2007 and County of Clock book of County, Arizona, WITNESS my hand and official seal the day and year first above written.

PATSY C. JENNEY, County Recorder

GRANITE MOUNTAIN HOMESITES

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DECLARATION OF RESERVATIONS, COVENANTS, CONDITIONS AND RESTRICTIONS

A. INTENT

This declaration made this 3 day of October, 1982, by EQUESTRIAN DEVELOPMENT CORPORATION, hereinafter called 'Declarant' as present owner of the second beneficial interest in First American Title and Trust Company, Trust Number 5774, being properly authorized so to act by terms of the Trust, and First American Title and Trust Company as Trustee, thereunder, hereinafter called 'Trustee', solely as bare legal title holder and not personally, and acting at the proper direction of said Beneficiary - 'Declarant', executes this Declaration of Reservations, Covenants, Conditions and Restrictions, to run with the real property herein described in Section B for the purposes as hereinafter set forth.

Now, therefore, Equestrian Development Corporation hereby declares the real property described and referred to in Section B is and shall be held, transferred, sold and conveyed subject to conditions, restrictions, covenants, reservations, easements, liens and charges hereinafter set forth, all of which shall be deemed to run with the described land.

B. DEFINITIONS

"THE PROPERTY" shall mean and refer to all such existing properties and additions thereto, and are subject to this declaration or any supplemental declaration and are more particularly described as:

Lots 1 to 6, inclusive, Granite Mountain Homesites Unit II, according to the plat of record in the office of the County Recorder of Yavapai County, Arizona, in Book 23 of Maps, page /6 thereof;

"ASSOCIATION" shall mean the Granite Mountain Homesites Association, a non-profit association to be comprised of Developer (so long as Developer chooses to remain a member) and the owners of lots within the Property and other property adjacent or nearby developed pursuant to a common plan, which Association will enforce the covenants, conditions and restrictions hereby declared for the benefit of its members.

"LOT" or "UNIT" shall mean and refer to lots as shown upon the latest applicable recorded subdivision plat or plats of the property. "TRACT" shall mean and refer to tracts shown upon, and designated by letter-number combinations in, the latest applicable recorded subdivision plat or plats of the property.

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"LIVING UNIT" shall mean and refer to any portion of buildings or mobile homes situated upon the property designed and intended for use and occupancy as a residence by a single family.

"STRUCTURE" shall mean any building, improvements, structure, fixture, fence or other enclosure not otherwise specifically described.

"DEVELOPER" shall mean Equestrian Development Corporation.

"OWNER" shall mean and refer to any purchaser under agreement of sale or, absent any executory agreement of sale, the owner of record, whether one or more persons or entities, of the fee simple title to any lot situated upon the property, but not-withstanding any applicable provision of a mortgage, shall not mean or refer to a mortgagee until such mortgagee has acquired title through foreclosure or any proceeding in lieu of foreclosure.

"MEMBER" shall mean and refer to all those owners who are members of the Association.

C. GENERAL PURPOSES

It is the purpose of this Declaration, and the covenants, to ensure the appropriate improvement of the Property and to create a community with open spaces and facilities for the general benefit of said community, and to prevent inharmonious development of said property thereby enhancing the values of investments made by purchasers of the lots therein.

D. COVENANTS, CONDITIONS AND RESTRICTIONS.

1. Subdivision of Lots

No lot or lots shall be subdivided, or any subdivided portion of a lot sold or leased, except so as to combine the ownership of subdivided portions of one lot with other adjoining lots. Any ownership of single holding by any person comprising parts of two adjoining lots or the whole of one lot and parts of one or more adjoining lots shall, for the purposes of this Declaration of Conditions and Restrictions (except as hereinafter specifically provided), be deemed to constitute a single lot.

2. Approval of Plans and Location of Structures

The Developer has deemed it desirable for the efficient preservation of values and amenities in said community to create an agency to which should be delegated and assigned the right and power to enforce the covenants, conditions, restrictions, reservations, easements, liens, and charges herein provided for. The Developer will organize the Association for the purpose of exercising such right and power. However, such rights and powers shall first be, and they are hereby vested in the Developer, who shall in turn transfer such rights and powers to the Association at such time as in the sole judgment of the Developer the said Association is ready therefor. Upon such transfer all such rights and powers shall be fully vested in, and exercised by, the Association.

(All subsequent references to "Beveloper" or "the Association" shall be deemed to refer to the party then vested with such rights and powers.) No structure shall be placed upon any lot until such structure (and the location thereof on the loth has been approved by Developer or the Association (as appropriate).

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Said Developer or Association shall have access to, and the right to inspect, the property and or materials at any reasonable time during the process of construction. The issuance of approval shall be within the sole discretion of the Developer or the Association. The Developer or the Association may from time to time promulgate rules, regulations and standards with respect to procedures for obtaining approval of structures proposed to be placed on lots and criteria to be employed in granting or denying such approval.

3. Garage and Carports

No garage or assessory buildings shall be used as living quarters. One detached garage and one guest dwelling may be erected on Lots 1 through 6, inclusive, in addition to the main dwelling, subject to the approval of the Committee, but such auxiliary dwellings may not be used as main dwellings.

4. Temporary Structures

No temporary residence, dwelling or garage shall be placed or erected on any lot. No residence shall be occupied in any manner while in the course of construction or prior to its being fully completed without the written approval of the Developer or his successor.

5. New Construction

All structures shall be of new materials, or of materials approved in writing by the Committee. Once started, construction is to be pursued diligently, and all buildings are to present a finished exterior appearance within six months, and landscaping substantially done or the native landscaping restored within twelve months of the start of construction. Roofs must be approved by the Committee prior to construction. All roofs are to be of materials and colors which blend with the natural surroundings. The Committee will require structures whose architecture is also compatible with the natural surroundings. Lot owners must secure written approval from the Committee of all exterior materials and colors, except subsequent repainting or restaining of colors previously approved by the Committee.

6. Animal Restrictions

All lots shall have horse privileges and limited privileges for other animals subject to these restrictions. All lots with livestock privileges shall in all ways comply with the current county and city regulations regarding the maintaining of animals on said lots. As county regulations change, these changes shall become applicable to said lots. No swine may be maintained on said lots. No kennel or animal hospital may be maintained on said lots. No animal shall be maintained within eighty (80) feet of any residence, other than that of the residence on that lot owning the animal. No livestock shall be kept on any lot without first having adequate facilities for their care built and permanent fencing to contain said livestock erected. All fences shall be constructed of permanent type materials approved by Developer or Association. No electric fences shall be maintained without consent in writing of Developer or Association. No livestock "Feeding Lot" may be maintained on any lot. No livestock or any animal may be kept which constitutes; in the judgment of the Association, a nuisance.

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7. Name Signs

No signs or billboards shall be erected, placed or maintained on any lot other than a name and address sign, and reasonable signs relative to the sale or rental of lots as may be approved by Developer or the Association.

8. Antennas

No antennas shall be installed or maintained if other suitable means of amplification are available.

9. Tanks

No elevated tanks of any kind shall be erected, placed or permitted on any lots. Any tanks, including tanks for the storage of fuel, must be buried or attractively screened to conceal it from neighboring tracts, roads or streets.

10. Vehicles

Private passenger automobiles and pickup trucks, including pickup campers, may be parked overnight on the property. Trucks larger than pickup class and vehicles other than described above shall not be kept on any lot or street except in areas designed therefor not be kept on any lot or street except in areas designed therefor by the Association. No motor vehicle or part hereof which is under repair, not in operating condition or unregistered shall be placed or permitted to remain on the street or streets or any portion of any lot or lots for a period of time in excess of 90 days unless it is within a closed garage or structure.

11. Commercial Use

All lots and structures thereon shall be used for private residence, and/or livestock oriented purposes only. No buildings or structure of any nature adapted primarily for business purposes shall be erected or maintained on any residential lot. Nothing herein shall be deemed to prohibit the leasing of home or residential structure for residential purposes.

12. Underground Facilities

No lot shall be used for the purpose of boring, mining, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth.

13. Outdoor Burning

There shall be no outdoor burning of trash or other debris (which restriction shall not, however, be deemed to prohibit the use of normal residential barbecue or other similar outside grill).

14. Sanitation

Garbage and refuse facilities and any other artificial projections from the ground shall be walled in and camouflaged in such a manner as to conceal them from the view of the neighborhood lots and streets. All rubbish, trash and garbage shall be in approved and streets regularly removed from the premises and shall not be containers regularly removed from the premises and shall not be allowed to accumulate thereon. Lots shall be maintained and kept free and clean of weeds and unsightly debrish for owners shall subscribe to garbage pickup service if available in the subdivision.

All dwellings used for residential purposes shall install flush toilets, and all bathrooms, toilets and sanitary conveniences shall be inside the buildings permitted hereunder. All bathrooms, toilets and sanitary conveniences shall be connected to septic tanks and leach lines constructed and maintained in accordance with applicable government requirements, and standards.

15. Nuisance

No noxious or offensive activity may be carried on upon any lot nor shall anything be done therein which may be or may become an annoyance or detriment to other property owners.

16. Easements

No structure except fences may be constructed, placed or permitted to remain on areas subject to easements as shown on recorded plats.

17. Ingress and Egress

Rights of ingress and egress to, and the right of entry upon, any part of the property at any reasonable time are reserved to the Developer and the Association for the purpose of investigating possible or actual violations of these covenants and correcting such violations.

18. Single Family Dwellings

All lots in Granite Mountain Homesites shall be single-family residential lots. The plans and location of all structures, screens, and fences, on each lot must be approved in writing by the Association prior to starting construction. In no case will the Association consider main dwellings with less than 1,500 square feet of living space on the main floor, exclusive of porches, pergolas, and attached garages.

19. Setbacks

All setbacks and side yards shall conform to the setbacks shown on the plat or plats of record of the Property. On Lots 1 through 6, inclusive, no building, exclusive of roof overhang, will be permitted within forty feet of any street property line (twenty feet on one street may be permitted on corner lots) and ten feet of any side or back property line except where topography or natural growth prohibits, and any such deviations may only be made if previous written approval by the Committee has been secured.

20. Mobile Homes

In addition and supplemental to the uniform general restrictions all lots shall be restricted to conventional homes and no mobile home shall be placed on any of said lots.

21. Enforcement of Covenants

Should it become necessary at any time that the Developer or the Association incur any expense or employ counsel to enforce any of the provisions, conditions, restrictions or covenants herein contained, all costs incurred for the enforcement of such provisions, conditions, restrictions or covenants herein contained (including a reasonable fee for enforcement), shall

be borne by the offending party, provided notice in writing of such violation has been reasonably given. The Developer, the Association and any Member shall be a proper party plaintiff in any action to enforce any provision of this Declaration, and any violation of any provision hereof may be enjoined or specifically enforced. Developer or the Association shall also be entitled to remove any structure, mobile home or property, or trim or remove any vegetation, maintained or kept on any lot in violation of the provisions of this Declaration and to charge the owner of such lot for the cost of such removal or trimming. Such charge shall be secured by a lien of the type and enforceable in the manner provided in Section 28 of this Declaration. Though the Association or any Member thereof or any other interested party may enforce these restrictions, the Developer agrees to enforce said covenants, conditions and restrictions until such time as a home owners association is formed and 55% of the total lots of said subdivision have been sold by the Developer.

22. Duration of Covenants

These easements, covenants, conditions and restrictions run with the land and shall be binding on all parties and all persons claiming under them until the year 1995 at which time said covenants, easements, conditions and restrictions shall automatically be extended for successive periods of twenty-five (25) years each, except as the same may be amended or revoked by the affirmative vote of 75% of the members of the Association.

23. Association Membership

Membership in the Association shall be comprised of owners of lots, there being one membership for each lot as platted of record, and a fractional membership for a fraction of each lot. Such lot owner shall be entitled to the rights and privileges of membership of the Association, and shall comply with its duly promulgated rules and regulations.

24. Association Assessments

Each lot shall be assessable by the Association as provided in the bylaws thereof, and any such assessment shall constitute, from the date of such assessment, a lien on each such lot to secure the payment of the assessment. For purposes of this section, any portion of any lot which shall have been combined into common ownership with an adjacent lot shall bear that proportion of the assessment imposed upon each lot as such portion of lot shall bear to the original platted lot from which it is derived. In the event that any assessment imposed by the Association shall not be paid on or before the due date thereof, the Association shall have the right to foreclose such lien by judicial foreclosure in the manner prescribed by Arizona law for the foreclosure of liens on real property other than mortgage liens. In the event of any action to foreclose such lien, the lien shall be deemed to secure, in addition to all Association assessments then due and unpaid, all costs and expenses (including reasonable attorneys' fees) incurre in preparation for or in connection with such foreclosure, together with interest on the unpaid assessment or assessments from the due date thereof until paid.

25. Delegation of Developer or Association

Developer or the Association shall have the right to appoint agents or committees or both to act on behalf of Developer or the Association for the purpose of exercising any right, power or duty given to or imposed upon it by this declaration.

26. Purposes of Assessments

Assessments made under the authority of this Declaration shall be made for the sole purpose of raising funds required for the costs of administration of the Association and such other costs as the Association may from time to time incur for the benefit of its membership.

27. Consent by Rurchase or Lease

The execution of any agreement to purchase or lease any lots or the acceptance of a deed or lease to any lot shall, without further affirmative act or assent by such purchaser or recipient, cause such recipient or purchaser and his rights in the subject lot to be subject to the bylaws and the duly promulgated rules and regulations of the Association and to the provisions of this Declaration and shall constitute such purchaser's or recipient's agreement to be bound by, and perform in accordance with the provisions of this Declaration.

28. Enforcement; Mortgage Savings

Violation of any one or more of the covenants, conditions and restrictions contained herein may be enjoined by any court of competent jurisdiction and/or damages awarded against any violator; provided, however, that a violation of these covenants, conditions and restrictions, or any one or more of them, shall not affect the lien of any mortgage now of record on which shall be hereafter placed of record upon said lots or any part thereof.

29. After the date hereof, each party who acquires any interest in all or any part of the property described herein, further agrees that upon such acquisition of any interest in all or part of the real property, said acquiring party shall look only to the other subsequent property owner or owners acquiring an interest in said property for any performance or relief deemed equitable or necessary for the enforcement of the covenants, conditions and restrictions contained herein.

IN WITNESS WHEREOF, EQUESTRIAN DEVELOPMENT CORPORATION, an Arizona Corporation, has caused it corporate name and seal to be hereunto affixed by its officers hereunto duly authorized this 12 day of October, 1982.

EQUESTRIAN DEVELOPMENT CORPORATION as Second Beneficiary under Trust No.5774, duly authorized

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RATIFIED AND APPROVED:

FIRST AMERICAN TITLE & TRUST COMPANY, as Trustee, solely as bare legal title holder, and not personally.

By Malle Allford Trust Officer

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