

City of Prescott
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3097564 BK 3619 PG 948
Yavapai County
Patsy Jenney-Colon, Recorder
11/25/1998 04:08P PAGE 1 OF 27
CITY OF PRESCOTT
RECORDING FEE 27.00
SURCHARGE 4.00
POSTAGE 0.00



BK	FEE
	\$7
MAP	\$4
PCL	\$5
	\$1
	\$31

DECLARATION OF RESTRICTIVE COVENANTS

GRANITE SPRINGS
by Crystal Creek

It is the purpose and intent of these standards to create a harmonious and esthetically pleasing community of high quality homes at Granite Springs by Crystal Creek. These standards have been developed to provide guidance to lot owners for the improvement of their properties and to ensure compatibility and harmony with the natural environment that exists.



• Built by T. L. Garrett Construction, Inc. •
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DECLARATION OF RESTRICTIVE COVENANTS

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DECLARATION OF RESTRICTIVE COVENANTS
FOR
ALL SINGLE FAMILY RESIDENTIAL LOTS
LOCATED WITHIN GRANITE SPRINGS by CRYSTAL CREEK
according to the plats recorded
and to be recorded in the
Office of the Yavapai County Recorder, Arizona

KNOW ALL MEN BY THESE PRESENTS:

CRYSTAL CREEK HOMES INC., an Arizona corporation, is the owner and developer of GRANITE SPRINGS by CRYSTAL CREEK, a planned area development in Yavapai County, Arizona. The development will be comprised of single family residential lots platted and recorded from time to time in the Office of the County Recorder of Yavapai County, Arizona.

It is desirable to provide uniform restrictions for all single family residential subdivision lots of the development for the purpose of establishing:

1. A plan for the individual ownership of real property estates consisting of a lot and the improvements contained thereon.
2. A uniform plan for the use of the property in all single family residential subdivision lots of the development, and the establishment of regulations to maintain quality neighborhoods.
3. The formation of a nonprofit corporation with membership of the LOT OWNERS with specific powers of regulation and control affecting single family residential lots located within the development.
4. The ownership and management of common elements by the nonprofit corporation, GRANITE SPRINGS OWNERS ASSOCIATION.

In order to establish the nature of the use and enjoyment thereof, Crystal Creek Homes, Inc. does hereby declare said premises subject to the following expressed covenants, stipulations and restrictions as to the use and enjoyment thereof, all of which are to be construed to be restrictive covenants, running with the title to said premises and with each and every part and parcel thereof to wit:

DEFINITIONS

Terms used in this Declaration shall have the meanings specified for such terms in the Zoning Code or Subdivision Ordinance for the City of Prescott unless otherwise specifically defined or illustrated on the plat of record for the subdivision or in this Declaration or unless the context hereof otherwise dictates. All references to the plat, lots, easements, etc., mean such in Granite Springs by Crystal Creek.

Unless the content clearly indicates a different meaning, the following terms as used in this Declaration are defined as follows:

1. "Articles" means the Articles of Incorporation of the Association which are filed in the office of the Arizona Corporation Commission, as the Articles may be amended from time to time.

2. "Association" means Granite Springs Owners Association, an Arizona non-profit corporation, its successors and assigns, formed as an entity through which the Owners may act in accordance with the Declaration and its Articles and Bylaws.

3. "Board" means the Board of Directors of the Association.

4. "Committee" means the Developer or Association's Architectural Control Committee to be established as determined by Developer.

5. "Common property" is that property designated as such on the plats of the development.

6. "Declaration" means this instrument as the same may be amended from time to time.

7. "Developer" means Crystal Creek Homes Inc., an Arizona corporation, its successors and assigns.

8. "Development" means Granite Springs by Crystal Creek, a planned area development in the City of Prescott, Arizona, comprised of Lots through and open spaces recorded on 11/25/98, in Book 37 of Maps, page 38 Recorder of Yavapai County, Arizona, and such other single family residential lots which shall become a part of such development.

9. "Guest" means an agent, servant, tenant, licensee or invitee of an Owner or any person or entity who has acquired any title or interest in a lot by or through an Owner,

including a lessee, mortgagee or any agent, servant, tenant, invitee or licensee of such person or entity.

10. "Lot" means a residential lot as platted on a plat or plats of the Planned Area Development for Granite Springs that was approved by the City of Prescott, Arizona, and additions thereto.

11. "Member" shall mean any person or legal entity who is a member of the Association.

12. "Mortgage" means a mortgage, deed of trust or other security instrument which is a lien on a lot.

13. "Owner" means the record owner, whether one or more persons or entities (including but not limited to the Developer) of equitable or beneficial title (or legal title if equitable title has merged therewith) to a lot. Owner does not include a person or entity holding an interest in a lot merely as security for the performance of an obligation; and shall not include a lessee or tenant of a Lot or dwelling. The Owner may, however, grant the person living on the Lot, or purchasing the Lot under an agreement or contract, the right to act in every capacity on his behalf.

14. "Property" means all of the Lots, private roadways and common areas platted on the recorded plats of the development and any additions thereto, and excludes only the streets dedicated to the City of Prescott.

15. "Transition Date" means that date on which the Developer conveys all common areas or at such time as 95% of the lots in the development have been sold, whichever first occurs.

COVENANTS, CONDITIONS, AND RESTRICTIONS

1. ARCHITECTURAL CONTROL.

No structure shall be commenced or erected on any of said Lots until the design, location, exterior color, floor elevations, and kind of materials to be used and the locations and height of walls and fences and direction of the facing of the main residential structure have been approved in writing by the Committee or Developer.

TO INSURE QUALITY CONSTRUCTION, AN ARIZONA LICENSED GENERAL CONTRACTOR, ARCHITECT OR ENGINEER SHALL BE RESPONSIBLE FOR ALL NEW CONSTRUCTION WITHIN THE DEVELOPMENT, AND BE APPROVED IN WRITING BY THE COMMITTEE

The design, location, and types of materials for structures to be built on said Lots shall be in harmony with existing homes within the Development. A landscape design must be submitted with the building blueprints for approval by the Committee.

In the event there is no Committee, or said Committee fails to approve or disapprove a proposed structure within (30) days after written request to do so, then such approval will not be required.

The design review process has been established, encompassing the following two phases:

- a. The Preliminary Design Submittal, at which time the Committee can review conceptual plans to ensure conformance with the standards before the Owner finalizes the design.
- b. The Final Design Submittal, at which time the Committee can review final construction documents to confirm that they are consistent with the previously approved preliminary plans.

The Committee may establish such rights of appeal as it deems appropriate.

2. PLANS AND SPECIFICATIONS.

The plans and specifications shall show the design, structural details, materials, finishes, exterior colors, site location, grades, and dwelling elevations and shall include a site plan of the building site proposed to be improved. Color and material, samples with name and manufacturer numbers shall be submitted with the plans. A copy of the plans, samples

and specifications as finally approved shall be retained in the records of the Committee until final construction has been completed.

3. SITE PLANS.

Site plans shall show on a two-foot interval contour map the following:

- a. Location of all trees over three inches in trunk diameter measured one foot from the ground, and existing boulders.
- b. All trees to be removed to permit any on-site construction.
- c. Locations of all easements.
- d. Dimensions and bearings of the boundaries of the Lot.
- e. Existing grades and proposed grade changes.
- f. Location of all proposed structures.
- g. Front, side, and rear setbacks.
- h. Driveways and parking areas.

4. CHANGES TO PLANS.

Any exterior change in the original design, i.e. additions, landscaping, exterior colors, textures, drainage, retaining or decorative walls or fences, must be approved in writing by the Committee prior to the commencement of the construction.

5. TIMELINESS OF CONSTRUCTION.

When construction is commenced, it shall be pursued diligently, and all buildings are to present a finished exterior appearance within seven months thereafter, and landscaping substantially completed within nine months from the commencement of construction, barring strikes, acts by other persons beyond the control of the Owner or contractor, and Acts of God. Financial inability of the Owner or his contractor to secure labor or materials or discharge liens or attachments shall not be deemed a cause beyond control. Extensions will be reviewed on a case by case basis by the Committee.

6. TREE REMOVAL.

No trees on any Lot, except diseased or dead trees, shall be removed unless the same occupy a portion of the ground upon which the dwelling structure or garage is to be constructed, excepting such approval thereof as shall be given by the Committee in writing. The native trees and shrubs are one of Granite Spring's primary amenities; thus, everything possible must be done to preserve and protect the natural environment of the property. The Committee may, at the Owner's expense require:

a. The replacement or substitution of landscaping for trees or shrubs cut or removed without prior approval,

b. Entrance to any lot with intent to remove any tree infested with IPS beetles and/or other destructive insects or disease if, within five (5) days after receiving notification from the Committee such removal is not accomplished by the owner.

7. LANDSCAPING.

All landscaping will incorporate, as much as feasible, plantings of native species, rocks and materials which are native or compatible with the surrounding natural landscape in color and texture, and be designed and laced so as to be compatible with surrounding natural areas. This is not to be construed as a prohibition of seasonal flower or vegetable gardens, or fruit trees.

8. UTILITIES.

All utility service lead-ins will be underground, unless above ground service is approved by the Committee prior to construction.

9. LAND USE AND BUILDING TYPE.

No Lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one detached single family dwelling, which may include patio walls, swimming pool, garages, servants' quarters, guest houses, ramadas, or other similar residential structures, and not to exceed two (2) stories in height or 35 feet. The 30 foot limitation will be determined by a comparison of A) the average elevation of the highest and lowest points of the building footprint on the original-natural grade and B) the elevation of the highest point on the building.

10. LOT OWNERSHIP, DIMENSIONS AND ASSESSMENT RULES.

None of said Lots shall be re-subdivided into smaller lots nor conveyed or encumbered in less than the full original dimensions of such lot, except for public utilities, provided that this restriction shall not prevent the conveyance or encumbrance of adjoining or contiguous Lots or parts of Lots in such a manner as to create parcels of land in a common ownership having the same or a greater street frontage than originally provided and described for any one of the Lots, portions of which are so conveyed or encumbered. Thereafter such part of adjoining or contiguous Lots in such common ownership, shall, for the purpose of these restrictions, be considered as one Lot. Nothing herein contained shall prevent the

dedication or conveyance of portions of Lots for public utilities, in which event the remaining portion of any such Lot shall, for the purpose of this provision, be treated as a whole Lot. Adjusting common property lines to improve Lots will be allowed if mutually agreed between Owners and approved by Developer and/or the Committee. Assessments on any Lot which is reconfigured and considered one Lot as set forth above, shall be considered one Lot for assessment purposes at the election of the Owner. If the Owner elects to treat the reconfigured Lot as one Lot for assessment purposes, the property may not thereafter be reconfigured into separate Lots.

11. ERECTION OF BUILDINGS AND SETBACKS.

No building shall be erected on any area which is reserved for road purposes or is now dedicated for streets or easements, nor upon any area subsequently granted for utilities or drainage purposes. No building shall be erected closer than 8 feet from the front (Min. 20 feet back of curb / sidewalk to front of garage) and 10 feet from the rear property lines, 8 feet exterior side and 5 feet interior side.

Measurements shall be from the exterior of the foundation. No buildings or structures shall be moved from other locations onto any Lot, and all improvements erected on a Lot shall be of new construction. No structure of a temporary nature, (except those used by the original Developer), such as a trailer, shack, garage, barn, or other outbuildings, shall be used on any Lot at any time, either temporarily or permanently. Topography exceptions as allowed by the City of Prescott will be accepted by the Committee.

12. SIZE.

The floor area of the dwelling, exclusive of porches, garages, patios, or any other similar extensions or projections, shall not be less than 1350 square feet of living space except in unusual cases where topography or other factors as the Committee sees fit warrants a departure. In any event, the design, location, and kind of materials of the structure shall be in harmony with the existing homes within the Development.

13. GARAGES.

One detached garage may be erected on each Lot, in addition to the main dwelling, location and design of which shall be subject to the approval of the Committee. Such detached garage may contain Guest dwelling quarters therein but shall not be used as a main dwelling. Guest facilities may not be rented, except in renting a Lot and all of its buildings as one single family residence. An enclosed garage for each residence is required. Carports are not allowed.

14. DRIVEWAYS AND WALKS.

All driveways and walks must be constructed of concrete, masonry, or similar materials. No asphalt pavement or gravel will be permitted unless, due to unusual circumstances, it is otherwise deemed appropriate by the Committee.

15. STREET LIGHTING.

All dwelling Owners are required to construct and maintain one functional automatic post light of a suitable design, which has been approved by the Committee, and is approximately three to six feet in height in a suitable location on the street boundary of their Lots. Such provision will be made that the lights will be on at all hours of darkness and will have bulbs of such wattage as may be specified by the Committee. Gas lights may be installed in lieu of electric lights.

16. FENCES.

Plans showing the length, height, design, material, finishes, and colors of fences must be submitted to and approved in writing by the Committee.

17. REFLECTIVE AND WINDOW COVERING MATERIALS.

Prior to the installation of any reflective materials for use on windows or any portion of any structure, approval must be obtained from the Committee. No windows of the house shall at any time be covered with aluminum foil, bed sheets, newspapers, or any other like materials. Appropriate drapes, blinds or shutters will be allowed.

18. SCREENING.

All laundry drying areas, trash and waste material must be screened from the public view. Unless written permission to the contrary is given by the Committee, fences and screens shall be painted or stained so as to blend with the natural surroundings, and the location, design and height of fences and screens shall require the approval of the Committee.

19. OFF-STREET PARKING.

Owners shall be responsible for adequate off-street parking space and seeing that, insofar as possible, the moving traffic street lanes adjacent to their Lots are kept free of parked vehicles.

20. OBSTRUCTIVE MATERIALS.

a. No exposed or exterior radio or television transmission or receiving antennas shall be erected, placed or maintained on any part of the premises, excepting with the permission of the Committee. Any radio tower must be of the electrically or automatically raised type when in use, and lowered from view when not in use.

b. Air conditioners and coolers may not be mounted on the roof.

c. Roof mounted solar panels or devices are to be architecturally integrated into the original home design. Where the provision of solar panels or devices is a post new-construction addition, these panels or devices will be screened and/or placed to insure they are integrated or not visible.

d. Firewood, repair materials, storage, landscaping equipment, machinery or machinery parts, household effects, boats, boxes, bags, tools and other temporary or permanent equipment, and other items that shall in appearance detract from the aesthetic value of the property shall be screened or stored as to be concealed from the public view.

21. TRASH.

The storage, collection and disposal and removal of all debris, garbage, and trash must be in accordance with applicable government requirements. All debris, garbage, and trash shall be in appropriate trash containers and screened from public view at all times except when placed curbside on days regularly scheduled for the purpose of collection. All outside fires for trash burning or other purposes, shall be considered dangerous and shall not be permitted unless confined to a well-built and protected fireplace designed specifically for said purpose.

22. NON-SITEBUILT STRUCTURES.

No structure in whole or part shall be moved onto the property.

23. TENTS, TRAILERS, AND RECREATIONAL VEHICLES.

No trailer or any recreational vehicle shall be parked on any Lot without an appropriate garage except for the purpose of loading or unloading. No trailer or any recreational vehicle shall be used as living quarters while so parked. No tents or other types of temporary buildings may be erected on any Lot. This paragraph shall not be construed, however, to prevent the temporary use of a portion of the Lot for children's tents or other

facilities temporarily occupied for recreational purposes, provided however, that the main dwelling has already been constructed and occupied by the family using such facilities.

24. LIVESTOCK AND POULTRY.

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except a reasonable number of dogs, cats, or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose. No dogs shall be tied or otherwise quartered outside the main residence building unless fenced during the hours of 10:00 p.m. and 8:00 a.m. inclusive.

25. OIL AND MINING.

Attempts by Owners to utilize any mineral or water rights on their lots shall require prior written approval of the Committee. It is anticipated that such utilization would normally not be desirable in a residential area and that approval is therefore improbable.

26. FIRE.

In the event any home, structure, or landscaping is destroyed or partially destroyed by fire, Act of God, or as a result of any other act or thing, said damage must be repaired and the improvement reconstructed within one (1) year from such damage.

27. SIGNS.

No advertising signs will be permitted except one professionally made unlighted sign not to exceed one (1) square foot in area advertising the premises for sale, lease, or rent, located not closer than fifteen (15) feet to adjacent property boundaries nor closer than five (5) feet to a street boundary line. Construction signs are limited to one (1) six square foot sign and allowed only during construction. Developer and/or Committee reserves the right to remove and hold for pick-up any signs that do not comply with these rules. All signs are to be approved in writing by the Committee. Committee has the right to disallow signs at its sole discretion. Approval may be withdrawn if the Committee has reason to believe that the dwelling is being used as a sales office.

28. PROPERTY MAINTENANCE.

All vacant Lots in Granite Springs subdivision shall be at all times kept free of rubbish and litter. The yards and grounds in connection with all improved properties shall be at all times kept in neat condition to any extent sufficient to maintain appearance not out of keeping with that of typical improved properties in this subdivision. During prolonged

absence, Owner of said Lot agrees to arrange for the care of the property during such absence.

29. MAILBOXES.

Mailboxes and supporting structures shall be of a type and color approved by the Committee to blend with the natural environment and shall be installed at curbside in accordance with United States Postal Service regulations.

30. SANITARY FACILITIES DURING CONSTRUCTION.

At all times during construction, each Lot shall be provided with a trash dumpster and a chemical toilet or suitable sanitary facility.

31. GRADING AND DRAINAGE.

Site grading and drainage must occur with minimum disruption to the Lot, without altering natural drainage patterns as runoff leaves the Lot, and without causing conditions that could lead to unnecessary soil erosion.

32. ROOFING.

Roof materials shall be compatible with the exterior wall materials and the design style of the residence. Architectural Style shingles will be permitted as well as other roofing materials approved by the Architectural Committee.

33. VEHICLE MAINTENANCE.

No repair or maintenance work shall be performed on any motor vehicle or other equipment within the Development except wholly within a garage.

34. OFFENSIVE ACTIVITIES PROHIBITED.

No noxious or offensive activity shall be carried on, or allowed by the Owner, on any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

35. RESTRICTIONS ON MOTORCYCLES, BICYCLES AND MOTOR VEHICLES.

Motorcycles, mini-bikes, trail bikes and other motor vehicles may not be ridden or driven on any of the Property unless equipped with a muffler or other suitable device for the

purpose of reducing noise of operation to an acceptable level as determined from time to time by the Developer of the Association.

36. NON-LIABILITY OF COMMITTEE OR DEVELOPER.

Neither the Association, the Committee, any member thereof, nor the Developer, shall be liable to the Association or to any Owner or other person for any loss or damage claimed on account of any of the following:

- a. The approval or disapproval of any plans, drawings, and specifications, whether or not defective.
- b. The construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications.
- c. The development, or manner of development, of any property within Granite Springs by Crystal Creek.
- d. The granting of or failure to grant a variance from this Declaration.

37. EXEMPTION OF THE DEVELOPER FROM RESTRICTIONS.

Developer shall have the right to use any property owned or leased by Developer for models, sales offices or management offices. Developer shall have the further right to maintain such advertising signs as comply with applicable government regulations, which may be placed in any location on the Property and may be relocated or removed at the sole discretion of the Developer.

Notwithstanding anything contained in this Declaration to the contrary, none of the restrictions contained in this Declaration shall be construed or deemed to limit or prohibit any act of the Developer, its employees, agents and contractors, or parties designated by it in connection with the construction, completion, sale or leasing of the Lots, the Common Areas or the Property.

The property owned by the Developer shall not be subject to the assessments by the Association or monthly maintenance fees.

EASEMENTS AND RIGHTS FOR CONSTRUCTION AND DEVELOPMENT

1. EASEMENTS AND RIGHTS OF CONSTRUCTION.

With respect to each Lot, easements and rights-of-way as set forth in the recorded plats of the property are hereby reserved unto the Developer and its assigns, to carry out its responsibilities and duties and for the purposes of construction, installation and maintenance of all utilities, including but not limited to water, sewer, electricity, gas and cable TV. Developer shall have the right to enter upon any Lot for the purpose of developing and installing drainage facilities on a drainage easement along the Lot line. Developer or its duly appointed agent shall have the right of ingress or egress over, upon and across the easements and rights-of-way and the right to store materials therein and make such other use thereof as may reasonably be necessary or incident to construction, development, maintenance and sale, and the overall Property of which the Lot is a part.

RIGHT TO ADD ADDITIONAL LANDS

The Developer, at its election, shall have the exclusive right to extend from time to time the area served and maintained by the Developer or the Association pursuant to this Declaration. Such additional land, when added, shall become part of Granite Springs by Crystal Creek development.

Any new land subject to this Declaration shall be added as follows:

The Developer, its successor or assigns, shall record in the office of the County Records of Yavapai County, Arizona, a supplement to this Declaration (hereinafter called "Supplemental Declaration"), signed by the Developer, which Supplemental Declaration shall (a) describe the new land being subjected to these covenants, and (b) state what additions, deletions or other changes or modifications have been made in the provisions hereof with respect to such new land.

THE ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

1. ORGANIZATION.

The Association is to be a nonprofit corporation under the laws of the State of Arizona and is charged with the duties and vested with the powers prescribed by law and set forth in its Articles of Incorporation, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted to be inconsistent with this Declaration. In the event of the inconsistency between the Articles or Bylaws and this Declaration, this Declaration shall govern.

2. DEVELOPER'S CONTROL OF THE ASSOCIATION AND MAINTENANCE OF THE COMMON PROPERTY.

The Developer will maintain the Development's common property until the Transition Date. The Developer will operate and maintain the common property for an annual fee, not to exceed \$100, payable by each Owner on demand. The Developer shall have all rights in enforcing collection of the fee by the same means granted to the Association in this Declaration. The Developer may voluntarily (but shall not be required to), at any time transfer control of the Association to the Members. When the Developer conveys the Common Property and facilities thereon to the Association, the Association shall become responsible for the maintenance, repair, operation and improvement of the Common Property and any facilities thereon, and shall be responsible for the payment of all costs in connection therewith, including property taxes, insurance premiums and all utilities used in connection therewith.

Developer may, at its sole discretion, retain the function of the Architectural Control Committee as to new construction until 30 days after notification to the Board that 100% of the Lots have been sold, and that the Architectural Control Committee appointed by the Board is to assume responsibility for construction review. Notwithstanding the above, the Developer may, at its sole discretion, complete the entire architectural review process for all dwellings in the design or construction process as of 30 days after the date of notification to the Board that 100% of the Lots have been sold.

3. BOARD OF DIRECTORS AND OFFICERS.

When ninety-five percent (95%) of the total lots in the Development have been sold, the Developer shall notify the Association immediately in writing. The Association shall call a meeting of Members for the purposes of taking over the operation, maintenance and improvement of all common areas. At such meeting the Association shall elect, by a

majority of the votes cast, five persons to the Board of Directors of said Association, all of whom shall be Owners in Granite Springs by Crystal Creek, who shall immediately estimate the expenses necessary to operate, maintain and improve as desired the Common Areas and any facilities, shall include an appropriate reserve, shall assess the Members equally for the payment of said expenses and reserve, shall set up all necessary procedures for collection and disbursement of said funds, and shall formally adopt the Bylaws that are attached hereto.

Thereafter all affairs of the Association shall be conducted by a Board of Directors and such officers they may elect or appoint in accordance with the Articles and Bylaws, as same may be amended from time to time.

4. POWERS AND DUTIES OF THE ASSOCIATION.

The Association shall have the following powers herein granted or necessarily implied which it shall exercise in its sole discretion, construing the powers herein granted and implied to the broadest extent consistent with the best interest of the members:

a. Employ, by contract or otherwise, a manager or an independent contractor or a professional management company to oversee, supervise, and follow out the express intention and spirit of this Declaration; and

b. Employ professional counsel and advice from such persons and firms such as, but not limited to, landscape architects, recreational experts, architects, planners, biologists, lawyers, accountants; and

c. Employ or contract for water, area maintenance, and renovation of common areas and open spaces, hiking and riding trails, and all future tracts, common areas or open spaces of Granite Springs by Crystal Creek; and

d. Borrow and repay monies giving notes, mortgages, or other security inferior to the rights of existing mortgages, if any, upon such term or terms as it deems necessary; and create, in its sole discretion, various services and make appropriate charges therefore to the users thereof and/or each individual Owner, in connection with the maintenance and management of the Association's properties, provided that such services shall be available to all Members upon the payment of charges so established, and to avail itself of any rights granted by law without being required to render such services to those members who do not assent to the same charges and to such other rules and regulations as the Association deems proper. In addition, the Association shall have the right to discontinue any service upon non-payment, while the charges remain unpaid, or to eliminate services for which there is inadequate demand or inadequate funds; and be the final judge of all aesthetic

matters and acts in its sole discretion without liability to any Member, with the exception of those matters pertaining to architectural control, which shall be the responsibility of the Architectural Control Committee.

e. On behalf of the Association at its common expense shall effect and maintain at all times comprehensive general liability insurance covering errors and omissions of the Directors and covering the Association against any action brought against it. The coverage shall be placed with a reliable insurance company with limits of not less than one million dollars (\$1,000,000.00) for injury, property damage, or death to any person from one occurrence. Any Member may maintain additional liability for his or her respective Lots without prejudice.

5. POWER OF ATTORNEY.

Whenever the Association is granted rights, privileges or duties in this Declaration, the Board shall have the authority to act for the Association. Further, unless otherwise specifically restricted by the provisions of this Declaration, wherever the Association is empowered to take any action or do any act, including but not limited to action or acts in connection with the Common Areas or sale thereof, which may at any time be deemed to require the act of an Owner or Member, the Owners and Members and each of them hereby constitute and appoint the Association as their attorney-in-fact, as may be appropriate, for the purposes of taking such action or doing such acts including but not limited to executing, acknowledging and delivering any instruments or documents necessary, appropriate or helpful for such purposes. It is acknowledged that this power of attorney is irrevocable and coupled with an interest and by becoming a Member of the Association or by the acceptance of a deed for a Lot or by signing a contract for the purchase of a Lot or by succeeding in any other manner to the ownership of Lot, or any interest therein, or a membership in the Association, each Owner and Member shall be deemed and construed to have ratified and expressly granted the above power of attorney.

6. THE ASSOCIATION RULES.

By a majority vote of the Board of Directors, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations to be known as the Association Rules. The Association Rules may restrict and govern the use of the common area by any Owner, by the family of such Owner, or by any invitee, guest, licensee or lessee of such Owner; provided, however, that the Association Rules may not discriminate among owners (unless there is determined to be a logical and reasonable necessity for distinguishing the rights, duties, obligations and benefits of owners) and shall not be inconsistent with this Declaration, the Articles or the Bylaws. A copy of the Association Rules, as they may from time to time be adopted, amended or repealed, shall be

mailed or otherwise delivered to each owner and may be recorded. Upon such recordation, said Rules shall have the same force and effect as if they were set forth in and were part of this Declaration.

7. PERSONAL LIABILITY.

No member of the Board of Directors, Developer, or any committee of the Association, or any officer of the Association, or any agent of the Board or Association shall be personally liable to any Owner or Member, of any act, omission, error, or negligence of the Association, the Board, its agents, or any other representatives or employees of the Association, or any other committee, or any officer of the Association, provided that such person, committee, or agent has, upon the basis of such information as may be possessed, acted in good faith without willful or intentional misconduct.

8. MEMBERSHIP.

Every Owner of a Lot shall automatically be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot (or tract) which is subject to assessment. A membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale of a Lot to a new Owner, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer of membership shall be void and shall not be reflected upon the books of the Association. The Association shall record the proper transfer of ownership upon the books of the Association, thus effecting the issuance of a new membership to a new Owner. It is the responsibility of the new Owner and prior Owner to notify the Association in writing of the purchase of a Lot and, prior to such notification, the Association is entitled to rely on its records of ownership.

9. VOTING.

At all meetings of the Association after the Transition Date, each member shall be entitled to one vote for each Lot owned, which voting right shall be exercised by an Owner of record of each Lot who shall be known as the "Voting Owner." The majority of the Voting Owners will constitute a quorum and the decision of the majority of the quorum present shall be the act of the Association. The Voting Owner shall be designated by the record Owner or Owners by written notice to the Association. The designation of a record Owner as a Voting Owner shall be deemed to be automatically revoked 1) upon notice to the Association of the death or judicial incompetency of anyone designated a Voting Owner, or 2) upon a written instrument delivered to the Association by any record Owner or Owners. If no Voting Owner of a Lot shall have been designated, or if said designation has been

revoked as stated here, no vote shall be cast in behalf of such Lot until the Voting Owner is designated as provided herein.

10. ASSESSMENTS.

Following the Transition Date, every Owner of any Lot in Granite Springs shall contribute toward the expenses of administration of the Development, including but not limited to all types of insurance and the costs of operation and maintenance of the common elements thereof. The Board of Directors shall prepare a budget for each fiscal year showing, in reasonable detail, the estimated costs and expenses which will be payable, the estimated income and other funds which will be received, the estimated surplus from prior assessments, and the estimated total amount required to be raised by assessments to cover the anticipated expenses and to provide reasonable reserves. The total amount required to be raised by assessment shall be equally apportioned among the Lots excluding any Lots retained by the Developer. The Board shall provide each Member with a copy of the budget for the forthcoming year and a notice of the projected amount of the individual Lot assessment in advance of the Association's annual meeting at which the budget will be considered for approval by the Members. An assessment of \$100 or less per Lot for the year may be approved by the Board of Directors. An assessment greater than \$100 will require the approval of a majority of the votes cast at the annual meeting. Assessments will be billed annually as of January 1 and are due and payable thirty (30) days from the date of billing. The assessment is delinquent if payment is not received within forty-five (45) days after the date of billing.

The Association shall not impose a regular assessment that is more than twenty percent (20%) greater than the immediately preceding fiscal year's assessment without the approval of the majority of the members of the Association.

Upon demand and for a reasonable charge, the Developer or Board of Directors shall furnish to any Owner a statement setting forth whether the assessments and charges on their residences are paid and, if unpaid, the amount unpaid. The statement when signed by an officer or director shall be binding upon the Association as of the date of issuance.

Lots owned by the Developer shall not be subject to assessment, until conveyed by the Developer to another Owner which is not a successor Developer. The Developer, however, will be responsible for property taxes on Lots owned by the Developer.

11. RIGHTS SUSPENDED UPON DEFAULT.

In the event that any Owner is in arrears in the payment of any amount due to the Association, or in default in the performance of any provision of this Declaration, or the Articles, Bylaws, or Association Rules for a period of fifteen (15) days or more, after written notice of same, the voting right of the Lot to which the default or violation relates may be suspended without further notice by the Board of Directors of the Association and may remain suspended until all payments are brought current and all defaults and violations are remedied.

Furthermore, in the event an Owner is in arrears in the payment of any amount due under any of the provisions of this Declaration, the Owner's right to use the common areas shall be suspended until all payments are marked current and all defaults reimbursed. The Owner in default shall be charged a reasonable amount for any use of the common areas which occurs during the period of suspension.

12. REMEDIES OF THE ASSOCIATION.

Each Owner covenants and agrees to pay to the Association the assessments provided for herein on or before the due date thereof and agrees to the enforcement of the assessments in the manner herein specified. In the event the Association employs attorneys for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner shall pay reasonable attorneys' fees and costs thereby incurred in addition to any other sums due or any other relief or remedy obtained against such Owner. In the event of a default in payment of any assessment when due, the assessment shall be deemed delinquent, and in addition to any other remedies herein, the Association may enforce each such obligation in any manner provided by law or in equity.

13. SUIT.

The Board of Directors may cause a lawsuit to be commenced and maintained in the name of the Association against an Owner to enforce the payment of any delinquent assessment or for violation of this Declaration. Any judgment rendered in any such action shall include, without limitation, the amount of any delinquency, interest at 12% per annum from the date of delinquency, court costs, and reasonable attorneys' fees.

14. LIEN.

A. The Association has a lien on a Lot for any assessment levied against that Lot or monetary penalties imposed against the Lot Owner from the time the assessment or penalty becomes due. The Association's lien may be foreclosed in the same manner as a mortgage on real estate. Unless the declaration otherwise provides, fees, charges, late charges, monetary penalties and interest charged pursuant to A.R.S. § 33-1803 are enforceable as assessments. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment of the assessment becomes due. After the occurrence of any default in the payment of any assessment, the Association, or its authorized representative, may, but shall not be required to, make a written demand for payment to the defaulting Owner, on behalf of the Association. Each default shall constitute a separate lien, but any number of defaults may be included within a single suit or foreclosed as a single lien. A claim of lien may be executed, acknowledged and recorded by any officer of the Association, and shall contain substantially the following information:

- (1) The name of the delinquent Owner.
- (2) The legal description and street address of the property.
- (3) The amount due and owing including interest thereon, collection costs and reasonable attorney's fees.
- (4) That the lien is claimed by the Association pursuant to this Declaration.

B. A lien hereunder is prior to all other liens and encumbrances on a Lot except:

- (1) Liens and encumbrances recorded before the recordation of the Declaration.
- (2) Any first mortgage or deed of trust on the Lot.
- (3) Liens for real estate taxes and other governmental assessments or charges against the Lot.

C. Subsection B of this section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the Association.

D. Unless the Declaration otherwise provides, if two or more associations have liens for assessments created at any time on the same real estate those liens have equal priority.

E. Recording of the Declaration constitutes record notice and perfection of the lien. Further recordation of any claim of lien for assessment is not required.

F. A lien for an unpaid assessment is extinguished unless proceedings to enforce the lien are instituted within three years after the full amount of the assessment becomes due.

G. This section does not prohibit:

- (1) Actions to recover amounts for which subsection A of this section creates a lien.
- (2) The Association from taking a deed in lieu of foreclosure.

H. A judgment or decree in any action brought under this section shall include costs and reasonable attorney fees for the prevailing party.

I. Each Owner, by becoming an Owner of a Lot or Lots, hereby expressly waives any objection to the provisions hereof with respect to the collection and enforcement of delinquent assessments. Sale or transfer of any Lot shall not affect the assessment lien or relieve such Owner or Lot from liability for any assessments thereafter becoming due or from the lien thereof, nor shall sale or other conveyance relieve the previous Owner from personal liability for assessments that became due prior to such sale or other conveyance. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common areas or abandonment of the Lot.

15. RECORDS.

The Association, after the Transition Date, upon reasonable written request and during reasonable business hours, shall make available for inspection by each Owner and Member the books, records and financial statements of the Association, together with current copies, as amended from time to time, of this Declaration and the Articles, Bylaws, and Association Rules.

COMMON AREAS AND DRIVEWAYS

1. COMMON AREAS AND OPEN SPACE.

All areas designated for use as common areas and open space on the plat and easements for common areas and open space as shown on the plat shall be for the use and benefit of all Members of the Association and their guests and invitees, including Members by virtue of new land added pursuant to this Declaration. These areas shall be left in their natural state, unless used for trails, walk-ways, driveways, parking areas, appropriate signs, recreational amenities, landscaping, and easements for utilities (including cable television).

2. COMMON DRIVEWAYS.

The Lots as designed by the Developer and set forth on the plat, contemplate that each Lot is to have vehicular access to the residence by means of a driveway. Some of these driveways will be located wholly within the property lines of the applicable Lot while other Lots may be served by common driveways located wholly or partially upon an adjacent property or the common areas. Each Owner served by a common driveway shall have and is hereby granted a nonexclusive easement for free and unrestricted pedestrian and vehicular access to his property by means of the common driveway. Neither the Association nor any Owner of any Lot over which any portion of a common driveway traverses shall in any way interfere with the easement access thereby. Except with respect to the foregoing easement, the existence of a common driveway shall not affect the ownership of the property over which said driveway easements run.

3. MAINTENANCE OF LOTS AND DRIVEWAY EASEMENTS.

Every Owner must perform promptly all maintenance and repair work on his or her own Lot, which if omitted would affect the project in its entirety or in a part belonging to other Owners, and is expressly responsible for the damages and liabilities that his or her failure to do so may engender.

All the repairs of internal installations of dwellings, such as water, light, power, sewage, telephones, sanitary installations, doors, windows, lamps, and all other accessories belonging to the dwelling area shall be maintained at the Owner's expense.

An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damaged through his or her fault or that of his or her guests or invitees.

Easements for driveways shall be maintained in suitable condition for passenger car travel and shall have dust free, hard surfaces. Maintenance expenses for driveways within an easement for common driveways shall be shared equitably by the Owners of the Lots which they service, unless the repairs are necessitated by the acts of a single Owner (for example during construction) in which case that Owner shall be responsible for repairs. If the Owners cannot agree as to the responsibility for, or adequacy of, repairs, the Board of Directors of the Association shall decide.

4. NON-LIABILITY.

The Association shall not be liable for any theft, vandalism, disturbance, unauthorized entrance or other similar occurrence, accident, injury, death or property damage which may take place on any of the Property.

MISCELLANEOUS

Except for judicial construction, Developer shall have the exclusive right to construe and interpret this Declaration until all Lots have been sold and escrows closed, or until such earlier date as the Developer relinquishes this right. Thereafter, the Association shall have the exclusive right to interpret and construe this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, Developer's interpretation of the covenants hereunder shall be final, conclusive and binding upon all persons and upon the premises.

The Committee may, at any time, inspect a Lot or improvement and, upon discovering a violation of this Declaration, provide a written notice of noncompliance to the Owner, including a reasonable time limit within which to correct the violation. If an Owner fails to comply within such time period, the Committee or its authorized agents may enter the Lot and correct the violation at the expense of the Owner of such Lot, or may take whatever action it deems appropriate, including commencement of an action for specific performance.

Every Lot Owner shall promptly cause to be duly recorded in the office of the Yavapai County Recorder the deed, lease, assignment, or other conveyance to him or her of his or her Lot, or other evidence of his or her title thereto. In addition, every Lot Owner shall immediately notify the Board of Directors through the Treasurer, who shall in turn notify the Secretary so that both may maintain such information in the appropriate records of the Association.

Any mortgagee, or holder of a beneficial interest, or trustee under a deed of trust on a Lot may file a copy of its mortgage or deed of trust with the Board of Directors through the Secretary, who shall maintain such information in the record of ownership of the Association. After the filing of the mortgage or deed of trust, the Board of Directors, through its Secretary, shall be required to notify the mortgagee, beneficiary or trustee of any Lot Owner who is in default in payment of any sum required herein and the mortgagee, beneficiary or trustee, at its option, may pay the delinquent expenses.

5. ENFORCEMENT.

The Association and/or Committee shall have the right to enforce corrective measures. Corrective measures shall be initiated by written notice to the Owner of the condition which requires correction. The Owner shall have a right of hearing and a right of appeal. If the Owner fails to commence and diligently pursue the corrective measures as noticed or finally ordered, the Association may enter, or cause its agent or employee to enter, upon the Lot and accomplish the corrective measures and the cost thereof shall be assessed against the Lot as a special assessment and shall be secured by the assessment lien created under this Declaration.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE DEVELOPER OR BOARD MAY FIX A FINE OF UP TO \$10,000 FOR FAILURE TO OBTAIN REQUIRED APPROVAL FROM THE ARCHITECTURAL CONTROL COMMITTEE. The Association may, but shall not be required, to remove any nonconforming structures or improvements and may recover the cost of said removal from the Owner. Any amount payable by an Owner hereunder, including, without limitation, any liquidated damages levied against an Owner, shall be deemed a special assessment and shall be secured by the assessment lien created under the Declaration.

The foregoing Covenants, Conditions, and Restrictions (CC&R's) shall run with the land and shall be binding on all persons owning Lots until January 1, 2009, at which time said covenants shall be automatically extended for successive periods of ten years each. The Developer, at any time prior to the Transition Date and thereafter the Owners by a two-thirds (2/3) vote of the members, may amend the Declaration. Deeds of conveyance of said property, or any part thereof, shall contain the above restricted covenants by reference to this document, but whether or not such reference is made in such deed or any part thereof, each and all of the CC&R's shall be valid and binding upon the respective grantees.

Violation of any one or more of these CC&R's may be restrained by any court of competent jurisdiction and damages awarded against such violators, provided, however, that a violation of these CC&R's, or any one or more of them, shall not affect the lien of any mortgage which hereafter may be placed of record upon said Lot; nor shall a violation of said covenants cause a reversion of the title to the land. If there is a violation or threat or attempted violation of any of these CC&R's, it shall be lawful for any Owner, the

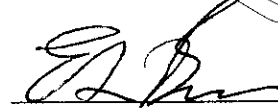
Association, the Committee or Developer to prosecute any proceedings at law or in equity against the person or persons violating or attempting or threatening to violate any of these CC&R's and either to restrain or enjoin such violation or recover damages or other remedies for such violation.

Any determination by any court of competent jurisdiction that any provision in this instrument is invalid or unenforceable shall not affect the validity or enforceability of the remaining provisions of this instrument and the same shall remain in full force and effect.

The failure to enforce any breach or violation of any of the provisions of this Declaration shall not constitute an abandonment or waiver of any right to enforce such provision in the future or of any of the other covenants herein set forth.

IN WITNESS WHEREOF, THOMAS L. GARRETT, President, and EARL L. BESHES, Vice President of Crystal Creek Homes Inc. have caused their names to be affixed hereto this 12 day of NOVEMBER 1998.


Thomas L. Garrett


Earl L. Beshers

State of Arizona)
) ss.
County of Yavapai)

This instrument was acknowledged before me on the 12th day of November, 1998, by Thomas L. Garrett and Earl L. Beshers, President and Vice President respectively, of Crystal Creek Homes Inc., an Arizona Corporation.


Notary Public

My Commission Expires:

February 8, 1999

