

STATE OF ARIZONA, County of Yavapai—ss **35393**

YAVAPAI TITLE CO.

I do hereby certify that the within instrument was filed and recorded at the request of
on **NOV 7 79-9 00 PM** o'clock Book **1257** Official Records Page **597-628 (incl)**
Records of Yavapai County, Arizona. WITNESS my hand and official seal the day and year first above written.

PATSY C. JENNEY, County Recorder
By **Patsy C. Jenney** Deputy

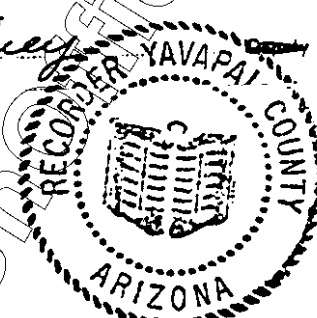
STATE OF ARIZONA, County of Yavapai—ss **35392**

YAVAPAI TITLE CO.

I do hereby certify that the within instrument was filed and recorded at the request of
on **NOV 6 79-4 45 PM** o'clock Book **1257** Official Records Page **565-596 incl**
Records of Yavapai County, Arizona. WITNESS my hand and official seal the day and year first above written.

PATSY C. JENNEY, County Recorder
By **Patsy C. Jenney**

**DECLARATION OF RESTRICTIVE COVENANTS
FOR
ALL PHASES OF HIDDEN VALLEY RANCH,
A PLANNED AREA DEVELOPMENT,
IN THE CITY OF PRESCOTT, ARIZONA,
ACCORDING TO THE PLATS RECORDED
AND TO BE RECORDED IN THE
OFFICE OF THE YAVAPAI COUNTY RECORDER,
ARIZONA**



KNOW ALL MEN BY THESE PRESENTS:

The undersigned Declarant, **YAVAPAI TITLE COMPANY**, an Arizona corporation, as Trustee, is the owner of all of the following described property situate in Yavapai County, Arizona, herein referred to as "Hidden Valley Ranch":

The East Half of Section Nine (9), Township Thirteen (13) North, Range Two (2) West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

Hidden Valley Ranch is a Planned Area Development in the City of Prescott, Arizona, to be comprised of subdivision phases according to the plats of phases which are from time to time recorded in the Office of the County Recorder of Yavapai County, Arizona.

The Declarant desires to impose uniform restrictions on the Planned Area Development of Hidden Valley Ranch and subdivision phases thereof for the purpose of establishing:

- (i) The nature of the use and enjoyment of the property in all subdivision phases of Hidden Valley Ranch.
- (ii) A plan for the individual ownership of real property estates consisting of a lot and the improvements contained thereon.

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(iii) The ownership and management of common elements by a non-profit corporation with membership of the lot owners.

(iv) Powers of regulation and control by the non-profit corporation affecting the property in all subdivision phases of Hidden Valley Ranch.

NOW, THEREFORE, Declarant does hereby declare:

(i) Phase I, Hidden Valley Ranch, a subdivision of the City of Prescott, Arizona, according to the plat of record in Book 21 of Maps, pages 1344 in the Office of the County Recorder of Yavapai County, Arizona.

(ii) Each subdivision phase of Hidden Valley Ranch according to the plat hereafter recorded in the Office of the County Recorder of Yavapai County, Arizona.

(iii) All lots, private roadways and other common areas designated on the recorded plats and all easements established or reserved by the Declaration on the plats.

are subject to the following terms, conditions and stipulations as to the use and enjoyment thereof, all of which are covenants running with the title to the premises and each and every part and parcel thereof.

1. DEFINITIONS

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

(i) "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.

- (ii) "Association" means Hidden Valley 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 By-Laws.
- (iii) "Board" means the Board of Directors of the Association.
- (iv) "Committee" means the Architectural Control Committee to be established under Section 8.
- (v) "Declarant" means Yavapai Title Company, an Arizona corporation, as Trustee.
- (vi) "Declaration" means this instrument as the same may be amended from time to time.
- (viii) "Developer" means HVR Limited, an Arizona limited partnership, and the successors and assigns of the partnership.
- (ix) "Development" means Hidden Valley Ranch, a Planned Area Development in the City of Prescott, Arizona, according to Ordinance No. 1341 which was passed, approved and adopted by the Mayor and the Council of the City of Prescott, Arizona, on June 25, 1979, and recorded on July 25, 1979, in Book 1232 of Official Records, page 261, Records of the County Recorder of Yavapai County, Arizona.
- (x) "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.
- (xi) "Lot" means a residential lot or patio home lot as platted on the Plat of the Planned Area Development for Hidden Valley Ranch that was approved by the City of Prescott, Arizona, by the adoption of Ordinance No. 1341, inclusive of such lots as platted on the recorded plat of each subdivision phase of the Development.

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

(xiii) "Owner" means the record owner, whether one or more persons or entities (including but not limited to the Developer) of equitable 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 adoption.

(xiv) "Property" means all of the lots, private roadways and common areas platted on the recorded plats of all subdivision phases of Hidden Valley Ranch and excludes only the streets dedicated to the City of Prescott.

(xv) "Unit" means a lot as platted on a recorded plat of a subdivision phase of Hidden Valley Ranch, but may include additionally all or any portion of such additional platted lot as is designated by the Owner as part of a building site submitted for approval under Section 2.05.

2. BUILDING AND IMPROVEMENT STANDARDS

2.01 Single Family Residence

Subject to Section 3.02, all of the lots shall be single family residential lots.

2.02 Approval of Committee

No building, fence, patio, deck, porch or structure of any kind shall be erected, added to, have its exterior altered, be painted or repainted, or placed or permitted to remain on any lot except in accordance with the plans and specifications which have been previously delivered to and approved in writing by the Committee.

2.03 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. A copy of the plans and specifications as finally approved shall be retained in the records of the Committee.

2.04 Authority of Committee

The Committee shall have the authority to refuse to approve any such plans or specifications or site plans, which are not compatible with the natural environment of Hidden Valley Ranch or are not suitable or desirable, in its opinion, for aesthetic reasons, and in so passing upon such plans, specifications and grading plans, it shall have the right to take into consideration the architectural design of the proposed dwelling or other structure, the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the dwelling, building or other structure as planned on the outlook from adjacent or neighboring property.

2.05 Site Plans

Site plans shall show:

- (i) Locations of all trees over three inches in trunk diameter one foot from the ground.
- (ii) Trees to be removed to permit construction.
- (iii) Location of all easements.
- (iv) Dimensions and bearings of the boundaries of the unit.

(v) Existing grades and grade changes.

(vi) Structure location.

(vii) Front, side and rear set-backs.

(viii) Driveways and parking areas.

2.06 No Excavation or Removal

There shall be no excavation or removal of natural vegetation until the site plan has been approved by the Committee.

2.07 Contractors and Time of Completion

Each structure shall be constructed by a contractor licensed by the State of Arizona for the work. Construction must be pursued diligently and all buildings shall be substantially completed and present a finished exterior appearance within five months after commencement of construction.

The Committee may waive the licensed contractor requirement for any owner it deems qualified to act as his own prime contractor, provided a bond or collateral is posted to insure completion of the dwelling. The amount of such bond shall be fixed by the Committee.

2.08 Landscaping

A landscaping plan for each improved unit shall be prepared in accordance with the Committee's regulations or guidelines and submitted to the Committee for approval prior to occupancy of a dwelling. Landscaping must be substantially completed in accordance with the approved plan within nine months from the commencement of construction of a dwelling, and in any event, prior to the unit being offered for sale.

2.09 Set-Backs

A dwelling may be placed on the lot line adjoining a platted private roadway. Patio homes shall have no yard requirements. In all other cases, the dwelling shall be no nearer than:

- (i) Twenty-five feet from the lot line adjoining a public street.
- (ii) Ten feet from a side line of the unit.
- (iii) Fifteen feet from the rear line of the unit.

For the purpose of (i), (ii), and (iii), foundations, eaves, steps, stoops, patios, overhangs, trim, gutters, drains and chimneys shall not be considered as part of the dwelling, but in no event shall there be any extension of any structure beyond the boundaries of a unit.

2.10 Area

Exclusive of enclosed or open porches, garages, carports and any area in the basement or within the foundation:

- (i) Each single level dwelling shall have a minimum of 1,100 square feet of living area.
- (ii) Each two-story dwelling shall have a minimum of 900 square feet of living area on the main level.
- (iii) Each one and one-half story dwelling shall have a minimum of 900 square feet of living area on the first floor and a total living area of not less than 1,200 square feet.
- (iv) Each split or multi-level dwelling shall have a minimum of 1,200 square feet of living area.

2.11 Height

The height limitation of buildings shall be two stories but not to exceed 30 feet at any point on the side of a building facing a dedicated street or a private roadway platted on a subdivision phase of the Development, but a building may have an additional story on a downhill side not facing such roadway or street with approval of the Committee.

2.12 Garage and Parking

Each dwelling must provide an attached carport or a garage which may be detached upon approval of the Committee. In addition to garage or carport parking, every improved lot must be provided with paved off-street parking spaces for at least two additional vehicles.

2.13 Pavement

Driveways, turnarounds and off-street parking areas shall be paved with concrete or asphalt or other permanent material approved by the Committee.

2.14 Additional Permitted Structures

No building other than the Committee approved main dwelling house and garage shall be erected or moved onto any residential lot. This section does not preclude temporary use of a part of a lot for:

- (i) Children's tents or other recreational devices, or
- (ii) Temporary structures, vehicles or equipment required by the building contractor for construction purposes.

2.15 Mailboxes

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

2.16 Roof Installations

Air-conditioners, heat pumps, evaporative coolers or similar devices shall not be placed on or above the roof of any dwelling and all such devices must be concealed from view according to the plans approved by the Committee, however, solar collectors may be roof installed according to plans approved by the Committee.

2.17 Fire Units

All fireplaces, chimneys, stove outlets, outside grills and other spark producing sources must be provided with spark-arresting devices.

2.18 Sanitary Facilities During Construction

Each building shall provide a "Port-a-Jon", a chemical toilet or other suitable sanitary facilities at each building site.

3. GENERAL LAND USE REGULATIONS

3.01 Residential Use

Except as provided in Section 3.02, an Owner shall not occupy or use his unit nor permit the same or any part thereof to be occupied or used for any purpose other than for the personal use for dwelling purposes by the Owner, his family or guests.

3.02 Commercial Business

No commercial business shall be permitted within the property other than:

- (i) As prescribed in Section 4.03;
- (ii) The activities of the Association in furtherance of its powers and purposes; or

- (iii) Home occupations prescribed by rules and regulations of the Board and conducted according to such rules and regulations.

3.03 Lot Split

A lot may be divided for sale or encumbrance but no part of a lot shall be improved unless:

- (i) The part is included in the building site designated on a site plan approved under Section 2; and
- (ii) The dwelling approved for construction will not increase the density of the subdivision phase in which the divided lot is located.

3.04 Easements

Easements on lots for utilities, drainage or other purposes shall not be obstructed in a manner which interferes with such purpose, but the area of each lot embraced by such easements shall be maintained by the Owner of the lot.

3.05 Limitation on Habitation

No structure of a temporary character, motor home, mobile home, trailer, camper, tent, shack or garage shall be used on any lot at any time for human habitation.

3.06 Noxious Activities

No noxious or offensive activity shall be carried on upon the property, nor shall anything be done thereon which may be or become

an annoyance, nuisance or hazard to others. No sounds shall be emitted thereon which are unreasonably loud or annoying. No odor which is noxious or offensive to others and no light which is unreasonably bright or causes unreasonable reflection shall be permitted.

3.07 Laundry Areas

Each exterior laundry drying area shall be screened so as to not be visible from any other lot, common area or roadway. Such screening may be trees, bushes, shrubbery or lattice work or fencing approved by the Committee.

3.08 Signs

Except as prescribed in Section 4.03, no sign or other advertising device of any nature shall be displayed on the property or on any vehicle parked on any lot or roadway without the approval of the Committee. The Committee may approve the placement of one "For Sale" or "For Rent" sign on the lot offered for sale or for rent and placement of directional "Open House" signs. Such signs shall be removed within seven days of the execution of a purchase or rental agreement.

3.09 Antennas, Towers, Etc.

There shall be no exterior television antenna, radio antenna, flagpole, mast or tower upon the property without written approval of the Committee. The Committee may approve the temporary installation of a television antenna on a lot during the time Cable TV facilities are not available at the lot.

3.10 Garbage

Trash, garbage or other waste shall be kept in sanitary containers placed below ground level or stored within the dwelling or garage or within a screened area approved by the Committee. The sanitary containers may be placed on the lot at curbside on regular collection days for a period not to exceed twelve hours prior to the scheduled collection, but shall be removed prior to daylight on the day after collection. All equipment for the storage or collection of such material shall be kept in a clean and sanitary condition.

3.11 Storage of Personal Property

Tools, machinery, household effects, toys, containers, boxes, materials or other items that degrade the appearance of the yards shall be so stored as to be concealed from public view.

3.12 Fencing

There shall be no fencing except for specific purposes such as screening, child containment, animal control or architectural effect. Plans showing the length, height, design, materials, finishes and colors of fences must be submitted to and approved in writing by the Committee.

3.13 Animals

No animals, reptiles, livestock or poultry of any kind shall be raised, bred or kept except that dogs, cats or other household pets may be kept on the Owner's lot, subject to rules and regulations adopted by the Board.

3.14 Preservation of Natural Environment

The native trees and shrubs are one of Hidden Valley Ranch's major attractions, thus everything possible must be done to preserve the natural environment of the Property. The Board may, at the lot Owner's expense:

- (i) Require replacement or substitute landscaping for trees or shrubs cut or removed without prior approval.
- (ii) Enter upon any lot and remove any tree infested with IPS Beetles or other destructive insects or diseases if, within five days after receiving notification from the Board, such removal is not accomplished by the Owner.

3.15 Limitation of Vehicles

Motorcycles, mopeds, mini-bikes, trail bikes and other motor vehicles shall not be operated on the property except within the traveled area of the private roads. All such vehicles shall be equipped with a muffler in good working order and in constant use to prevent excessive or unusual noise. No repair or maintenance work shall be performed on any motor vehicle or other piece of equipment, except wholly inside a garage. Disabled vehicles and equipment shall be stored in a garage or removed from the property. Each Owner shall provide adequate paved off-street parking space to accommodate the intended use of the Owner's lot and shall not park or permit others to park on unpaved portions of the lot. Except for permitted construction purposes or limited temporary parking for loading or unloading, no vehicle in excess of 6,500 pounds gross weight, no commercial vehicle, industrial equipment, recreational vehicle, boat, boat trailer, utility trailer, mounted or unmounted camper, motor home, travel trailer or mobile home shall

remain on the property unless parked at all times inside a closed garage or stored at the common area designated for vehicle storage on such terms and conditions as are prescribed by the Board if space is available.

4. EASEMENTS AND RIGHTS IN OTHERS

4.01 Easements Deemed Appurtenant

Easements and rights reserved, created or provided to be created under this Declaration or the Declaration on a recorded plat of any phase of Hidden Valley Ranch shall not be separated from the lot or lots to which they may appertain and shall be deemed to be conveyed with the lot even though such interest is not expressly mentioned or described in the conveyance or other instrument.

4.02 Easements on the Private Roadways

At such time as the Developer has constructed and improved the roadways, the Declarant shall convey the title thereto to the Association for the use and benefit of the Association and the Owners. Each Owner and his guest shall have the non-exclusive right to travel on all private roadways on the property and to utilize the drainage easements on the roadway. Prior to the conveyance by the Declarant to the Association of the private roadway, the Declarant, and after Declarant's conveyance to the Association, the Association, shall have the right and power to grant easements or licenses on such roadway:

- (i) For CATV, utility, water or sewer purposes to any CATV or public utility company or the City of Prescott.

- (ii) For ingress and egress to any governmental authority for fire protection, sanitation, law enforcement or for the purposes of performing any other governmental function or service.

4.03 Easements for Construction and Development Purposes

Prior to conveyance of the common area to the Association, Developer or its duly appointed agent shall have the right of ingress or egress over, upon and across the common area 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 development of which the property is a part. Declarant grants to the Developer the right to use any lot owned by Developer for models, sales offices or management offices until such time as Developer conveys title thereto to another Owner. Developer shall have the right to relocate its offices and models from time to time within the property. Developer shall have the further right to maintain on the property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the property and may be relocated or removed, all at the sole discretion of Developer.

4.04 Easements on the Common Areas

At such time as the Declarant shall convey a common area to the Association, every Owner and his guests shall have the non-exclusive right and easement of use and enjoyment in such common area subject to the following provisions:

- (i) The right of the Association to charge reasonable admission and other fees for the use of any Association facilities situated upon the common area;
- (ii) The right of the Board to restrict and control the use of the common area; and
- (iii) The right of the Board, after a hearing, to suspend the voting rights and right to use of the Association facilities by an Owner for any period during which any assessment against his lot remains unpaid and, for a period not to exceed sixty days, for any infraction of the Hidden Valley rules.

Prior to the conveyance by the Declarant to the Association of a common area, the Declarant, and after Declarant's conveyance to the Association, the Association, shall have the right and power to grant easements or licenses on such common area to:

- (i) Any CATV or public utility company or the City of Prescott for CATV utility, sewer and water purposes.
- (ii) Any lot Owner for drainage or access purposes.

5. HIDDEN VALLEY ASSOCIATION

5.01 The Association

The Association is a non-profit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, By-Laws, rules and regulations and this Declaration.

5.02 Membership and Voting Rights

Owners of lots shall be the members of the Association and each shall automatically be a member upon becoming an Owner. There shall

be one membership for each lot in the Development and fractional membership for a fraction of such lot. Membership shall be appurtenant to and may not be separated from ownership of any lot. The Association shall have two classes of voting membership:

Class A - Class A members shall be all Owners other than Declarant or Developer and shall be entitled to one vote for each lot and a fractional vote for a fraction of each lot owned.

Class B - The Class B members shall be the Declarant and Developer and shall be entitled to three votes for each of such of the 774 lots platted in the Development as are owned by Declarant or Developer. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (ii) On November 1, 1983, or
- (iii) Declarant and Developer surrender the Class B memberships.

5.03 Board of Directors and Officers

The affairs of the Association shall be conducted by the Board and such officers as the Directors may elect or appoint, in accordance with the Articles and the By-Laws, as same may be amended from time to time.

5.04 Powers and Duties of the Association

The Association shall have such rights, duties and powers prescribed by the Declaration and as set forth in the Articles and By-Laws, as same may be amended from time to time.

5.05 Personal Liability

No member of the Board or any Committee of the Association, or any officer of the Association, or the Manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, the Manager or any other representative or employee of the Association, or any Committee or officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

6. THE BOARD

6.01 General Powers

The Board shall manage the business and affairs of the Association and may exercise all such authority and powers of the Association and do all such lawful acts and things as are not by law, the Articles, By-Laws or this Declaration directed or required to be exercised or done by the members. The powers of the Board shall encompass, but not be limited to, all of the rights and duties of the Board as set forth elsewhere in this Declaration, Articles and By-Laws.

6.02 Hidden Valley Rules

The Board shall have the power to adopt, amend, repeal and enforce such rules and regulations ("Hidden Valley Rules") pertaining to such rights and duties as are consistent with its general powers. Without limitation of the foregoing, the Hidden Valley Rules may

restrict and govern the uses of the private roadways, common areas, and Association facilities, and establish from time to time charges for the use of the common areas and Association facilities. The Board may delegate the duties of enforcement of the rules as appear in the best interests of the Association and to the extent permitted by law. A copy of the rules as they may from time to time be adopted, amended, or repealed, shall be mailed or otherwise delivered to each Owner.

6.03 Home Occupation

It is recognized by this Declaration that certain home occupations can be conducted by the Owners on their lots without violation to the principal purpose of the residential use and enjoyment of the property. Subject to such zoning regulations of the City of Prescott that may control, the Hidden Valley Rules may allow such commercial activities as may be unobtrusively conducted at a residence without odor, noise, traffic or parking congestion or any other noxious condition that would interfere with the residential use and enjoyment of the Owners of adjacent or neighboring lots. The conduct of such prescribed permitted home occupation shall be a matter of grace resting in the sole discretion of the Board, and shall be enjoyed only as long as the rules permit such occupation, and only by strict conformance with the rules governing such activities which may without limitation of scope of such rules restrict the number of employees and the hours of operation.

6.04 Variances

Subject to such zoning regulations of the City of Prescott that may control, the Board may upon a joint application of an Owner

and the Committee authorize in specific cases such variance from the provisions of Section 2 and 3 of this Declaration as will not be contrary to the general interests of the property, where owing to specific conditions, a literal enforcement of the provisions will in the Board's opinion result in unnecessary hardship.

7. ASSESSMENTS

7.01 Duty of Membership

For the purpose of construction, maintenance and improvement of private roadways, common areas and Association facilities and of any and all common community services of every kind and nature necessary or desirable in areas owned, acquired by or under the jurisdiction of the Association for the general benefit and use of members, the Declarant for each lot and each Owner, in accepting a deed or contract of purchase for any lot on the property whether or not it shall be expressed in the deed or contract, agrees to and shall be a member of and be subject to the obligations and duly enacted By-Laws and rules and regulation of the Association, and to pay an annual assessment and any special assessment levied against each lot to provide the necessary funds for the purposes of the Association.

7.02 Apportionment of Assessments

The total amount required to be raised by assessment shall be equally apportioned among the lots, except that no assessment shall be made against a lot until

- (i) Such lot is included in a recorded subdivision phase of the Development, and
- (ii) The offsite improvements including streets, water, electricity, telephone, natural gas and sewer have been installed and completed to such lot.

7.03 Nonpayment of Assessments

Each Owner of any lot agrees to the enforcement of the assessments in the manner herein specified. In the event the Association employs an attorney or 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, or for any other purpose in connection with the breach of this Declaration, each Owner and member agrees to pay reasonable attorney fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner or member. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provided by law or in equity, or without any limitation of the foregoing, by any of the procedures provided herein.

7.04 Personal Obligations of Member

The amount of each assessment shall be a separate, distinct and personal debt and obligation of the member against whom the same has been assessed at the time such assessment is made and shall be collectible

as such. The Board shall have the right to impose a reasonable late charge for nonpayment of any assessment or installment thereof within fifteen days of the date any such payment became due. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No member may exempt himself or avoid or diminish any personal obligation or liability for payment of any such assessment by waiver of the use or enjoyment of any of the private streets, common areas and Association facilities or by abandonment of the property.

The purchaser of a lot shall be jointly and severally liable, except as otherwise provided herein, with a selling member for all unpaid assessments due from such member up to the time of sale, without prejudice, however, to the right of such purchaser to recover from such seller any and all amounts paid by him to secure or defray the amount of unpaid assessments.

7.05 Lien for Assessments

The amount of any assessment, whether regular, supplemental or special, assessed to the member, together with late charges thereon, interest at the highest legal rate permitted under the laws of the State of Arizona, and costs, including reasonable attorney fees, shall become a lien upon the lot assessed.

To evidence any such lien, the Board may prepare and cause to be recorded in the office of the County Recorder of Yavapai County, Arizona, a written notice of lien setting forth the amount of the assessment, the due date thereof or for the installment thereof not paid, the

amount thereof remaining unpaid, the name of the member and a description of his lot. No such notice of lien shall be so recorded until a delinquency occurs in payment of the assessment or appropriate installments due. Such lien shall be superior to all other liens and encumbrances, recorded or unrecorded, except for valid tax and special assessment liens on the lot in favor of any governmental or other validly constituted taxing authority, and the lien of any bona fide first mortgage or deed of trust thereon which is recorded in the official records of the County Recorder of Yavapai County, Arizona.

7.06 Foreclosure of Lien

The Association may foreclose the assessment lien against a lot in accordance with the then prevailing Arizona law relating to the foreclosure of realty mortgages and may recover a deficiency judgment against persons obligated for the assessment if the judicial sale of the property does not satisfy the judgment. In any foreclosure, the member shall be required to pay the cost and expenses of such proceedings, any assessment or installments thereof becoming due during the pendency thereof, and costs, including reasonable attorney fees. The Association acting on its own behalf shall have the power to bid in and purchase the property at foreclosure sale and to hold, lease, mortgage, convey and thereafter deal with the property as the Owner thereof, subject to the right of redemption as provided by law.

7.07 Estoppel Certificate

Upon payment of a reasonable fee and upon written request of any member, mortgagee, title company or any person intending to

acquire any right, title or interest in a lot, the Association shall furnish a written statement setting forth the amount of the unpaid assessments, if any, with respect to the property, the amount of the current assessment, the date that such assessment becomes or became due, which installments have been paid thereon, and credit for advance payments. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.

8. THE ARCHITECTURAL CONTROL COMMITTEE

8.01 Committee Composition

The membership of the Committee shall be fixed by the Board at three or five regular members and two alternate members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board or an officer of the Association.

8.02 Alternate Members

In the event of the absence or anticipated absence from a Committee meeting of any regular member of this Committee for any reason, the regular members in attendance even though less than a quorum, shall designate an alternate member to act in the place of each absent regular member.

8.03 Appointment and Removal

The right to appoint and remove all regular and alternate members of the Committee at any time, shall be and is hereby vested solely in the Board.

8.04 Resignations

Any regular or alternate member of the Committee may at any time resign from the Committee by giving written notice thereof to the Board.

8.05 Duties

It shall be the duty of the Committee to consider and act upon any and all proposals or plans submitted to it, to adopt Architectural Committee rules, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration, and the By-Laws and rules and regulations.

8.06 Meetings

The Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of a majority of the Committee, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of this Declaration, the By-Laws or the rules and regulations. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise.

8.07 Architectural Committee Rules.

The Committee may, from time to time and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, rules and regulations, to be known as "Architectural Committee Rules." Such rules shall interpret and implement this Declaration by setting forth the standards and procedures for Architectural Committee

to review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in the Property.

8.08 Waiver

The approval by the Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing specification or matter subsequently submitted for approval.

8.09 Liability

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

- (i) The approval or disapproval of any plans, drawings, or specifications, whether or not defective;
- (ii) The construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications;
- (iii) The development of any of the property; or
- (iv) The execution and filing of any estoppel certificate, whether or not the facts therein are correct;

provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this section, the Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Committee.

8.10 Request for Approval

Request for the Committee's approval of such plans and specifications, together with such plans and specifications and any other information which the Committee may reasonably request, shall be submitted in writing to the Committee at least thirty days prior to the date on which construction is to commence. Within thirty days from receipt of such written request, the Committee shall notify in writing the Owner of its decision either approving or rejecting the plans and specifications. In the event the Committee rejects the plans and specifications, then and in that event the Committee shall set forth in its notification the reason for rejection thereof. The decision of the Committee shall be final if such Owner fails to request a hearing in accordance with the procedures outlined in Section 8.12.

8.11 Failure to Act

In the event the Committee shall fail to approve or disapprove plans or specifications within thirty days after receipt of the

written request, the plans, specifications, and other information requested by the Committee, approval thereof shall be deemed to have been given; provided, however, any dwelling, building or structure embraced by such plans and specifications shall be of masonry or frame construction and the location and size of the dwelling, building or structure shall not be violative of any of the restrictions contained in this Declaration or any applicable law, rule or regulation of any governmental body or agency having jurisdiction thereof.

8.12 Right of Hearing

Should the Committee reject or disapprove the plans and specifications as submitted, the lot Owner, within fifteen days from the date of written notice of rejection or disapproval, may request in writing a hearing before the Committee. The Committee, upon receipt of such written request, shall fix the date, time and place of the hearing and shall notify the lot Owner in writing of the date, time and place of the hearing at least seven days prior to the hearing date. The date of the hearing shall be fixed no later than thirty days after receipt of the written request for hearing. At the hearing the lot Owner shall be afforded the opportunity to be heard and to present evidence, both oral and documentary, concerning the rejection of the plans and specifications. Upon conclusion of the hearing the Committee shall then determine, by majority vote whether its prior decision concerning the plans and specifications shall be affirmed or reversed. Notice in writing of the Committee's decision shall be mailed to the lot Owner within seven days from the date of the hearing. The decision of the Committee shall be final

if such lot Owner fails to exercise the right of appeal in accordance with the procedures set forth in Section 8.13.

8.13 Right of Appeal

In the event the lot Owner is dissatisfied with the decision of the Committee rendered in accordance with Section 8.12, the lot Owner may appeal such decision to the Board. The right of appeal shall be exercised by the lot Owner within fifteen days from the date the Committee mails notice of its decision to the lot Owner. The notice of appeal shall be in writing addressed to both the Committee and the Board. The Board, upon receipt of a notice of appeal, shall fix the date, time and place of the hearing on appeal and shall notify in writing the Committee and the lot Owner of the date, time and place of the hearing at least seven days prior to the hearing date. The date of the hearing shall be fixed no later than thirty days after receipt of the notice of appeal. At the hearing on appeal both the Committee and the lot Owner shall be afforded the opportunity to be heard and to present evidence, both oral and documentary, concerning the rejection of the plans and specifications. Upon conclusion of the hearing on appeal the Board shall then determine, by majority vote of all Directors, whether the decision of the Committee shall be affirmed or reversed. Notice in writing of the Board's decision shall be mailed to the Committee and the lot Owner within seven days from the date of the hearing on appeal. The decision of the Board shall be final.

9. GENERAL PROVISIONS

9.01 Declaration Binding

All instruments of conveyance or assignment of any interest in all or any part of the property shall refer to this Declaration and shall be subject to the covenants, restrictions, conditions and servitudes herein contained as fully as though this instrument were therein set forth in full; provided, however, the terms and conditions of this Declaration shall be binding upon all persons affected by its terms, whether express reference is made to this instrument or not.

9.02 Amendment

This Declaration may be amended by an instrument or counterparts thereof executed and acknowledged by the Owners of at least two-thirds of the lots in the Development. The amendment shall not be effective until the recording of such instrument.

9.03 Effective Periods

The covenants, restrictions, conditions and servitudes of this Declaration, as the same may hereafter be amended in accordance with the terms hereof, shall remain in full force and effect for a term of fifteen years from and after the date of recording of this Declaration, from which time they shall automatically be renewed and extended for successive periods of ten years each, unless terminated as of the end of such initial fifteen-year period or any successive ten-year period, by the recording, within the six-month period immediately preceding the expiration of such initial fifteen-year period or any successive ten-year period, of an instrument of termination, executed and acknowledged by the Owners of at least fifty percent of the lots in the Development.

9.04 Enforcement

Failure to enforce any of the covenants, stipulations and restrictions now or hereafter imposed by the provisions of this Declaration shall in no event be construed or held to be a waiver thereof or consent to any further or succeeding breach or violation. Upon breach or threatened breach of the covenants, stipulations or restrictions, or any of them, anyone owning or having an interest in the Development, including the Association, may bring an appropriate action in the proper court to enjoin or restrain the violation or to compel compliance with the covenants, stipulations or restrictions or to collect damages or other dues on account thereof. In such action, the prevailing party will be entitled to recover the costs of the proceeding and such reasonable attorney fees as may be awarded by the court and not by a jury.

A violation of the covenants, stipulations or restrictions shall not affect the lien of any mortgage now of record or hereafter placed of record on any lot or part thereof.

9.05 Severability

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration this 6th day of November, 1979.

YAVAPAI TITLE COMPANY, an
Arizona corporation, as Trustee

By

Frank Kelly
Frank Kelly, President

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STATE OF ARIZONA

)

) ss.

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COUNTY OF YAVAPAI

The foregoing instrument was acknowledged before me this 7th day of November, 1979, by Frank Kelly, President of YAVAPAI TITLE COMPANY, an Arizona corporation, as Trustee for HVR LIMITED, an Arizona limited partnership, on behalf of the partnership.


Notary Public

My Commission Expires:

May 12, 1980

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