

WHEN RECORDED, MAIL TO:

EQUESTRIAN DEVELOPMENT CORP.
2465 Shane Drive
Prescott, AZ 86305

FEE
\$ 23
\$8
\$5
\$1
TS 32



B-4278 P-373
Page: 1 of 23
RES 3874754

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GRANITE MOUNTAIN HOMESITES
UNIT V, PHASE 2



TABLE OF CONTENTS

	<u>Page</u>
A. <u>DECLARATION</u>	1
B. <u>GENERAL PURPOSES</u>	1
Primary Objectives	
General Plan For The Development	
Attitude of the Developer and Initial Lot Owners	
C. <u>DEFINITIONS</u>	2
Property	
Additional Property	
Annex Declaration	
Architectural Committee	
Association	
Base Covenants	
Supplemental Covenants	
Board	
Builder	
Common Area	3
Declarant	
Design Guidelines	
Developer	
Governing Documents	
Improvement	
Living Unit	
Lots	
Member	
Owner	
Person	
Regular, Special and Benefit Assessments	
Structure	
Visible From Any Street Or Neighboring Lots	
D. <u>THE ASSOCIATION</u>	4
Functions of the Association	
Formation and Board	
Architectural Committee	
Membership	
Exercise of Voting Rights	5
Rule-Making Authority	
Association Finances, Assessments, Time of Payment and Liens	
Regular Assessments	
Benefited Assessments	
Special Assessments	6
Personal Obligation	
Lien For Assessments and Effective Date	
Association Property	
Compliance and Enforcement	
Procedures of Enforcement	
Nature of Remedies	7
Exercise of Rights	



Limitation of Liability

E. <u>BASE COVENANTS, CONDITIONS AND RESTRICTIONS</u>	8
Owner's Acknowledgment	
Protection of Owners	
Architectural Control	9
Excavation	
Improvements	
Application for Approval	
Building Plans and Specifications	
Site/Landscape Plans	
Approval	10
Disapproval	
General Use of Land and Timeliness of Construction	
Division or Conveyance of Lots	
Limitations On Land Use	
Building Location and Setbacks	11
Equestrian/Hiking Trail and Easement	
Size and Design of Main Living Units, Garages and Other Structures	
Timeliness of Construction	12
Order of Construction and Permitted Use	
Repair or Reconstruction of Destroyed Structures	
Landscaping	
Promoting Appearance, Quietude, Health and Safety	
Specifically Controlled, Required and/or Prohibited Conditions	
Removal and Costs	13
Specific Conditions, Restrictions and Controls	
Above-Ground Pipes, Lines And Wires	
Alternative On-Site Disposal Systems	
Animals	
Antennas and Satellite Dishes	14
Clothes Drying Facilities	
Driveways, Parking Areas and Walkways	
Dumping	
Exterior Lighting	
Firewood	
Flag Poles	
Garage Doors	
Garbage Containers and Refuse Disposal	
Gates, Fences and Walls	15
Ground-Mounted Equipment	
Licensed and Unlicensed Vehicles	
Lot Maintenance	
Machinery, Vehicles and Other Equipment	
Outdoor Recreational Courts and Equipment	16
Removal of Trees or Vegetation	
Roof-Mounted Equipment	
Sight Distances at Intersections	
Signs	
Storage Tanks and Equipment	
Temporary Occupancy	
Temporary Buildings and Structures	
Theme Decoration or Landscaping	
Use of Streets	17



Vacant Lots
Window Coverings

F. EXPANSION OF GRANITE MOUNTAIN HOMESITES UNIT V 17

G. GENERAL PROVISIONS 18

Instruments of Conveyance, Notice of Covenants
Binding Effect and Enforcement
Homestead Waiver
No Waiver of Breach
Award of Costs and Reasonable Attorney's Fees
Subordination
Severability
Change of Circumstances
Captions and Titles
Fire Suppression Requirements
Amendment

H. DURATION 19



**GRANITE MOUNTAIN HOMESITES
UNIT V, PHASE II**

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

A. DECLARATION

This Declaration is made this 8th day of June, 2005, by EQUESTRIAN DEVELOPMENT CORPORATION, an Arizona corporation, hereinafter called "Declarant," as present owner of the beneficial interest of First American Title Insurance Agency of Yavapai, Inc., an Arizona corporation, Trust Number 5001, being properly authorized to act by the terms of the Trust, and by First American Title Insurance Agency of Yavapai, Inc., as Trustee, thereunder, hereinafter called "Trustee", solely as bare legal title holder and not personally, and acting at the proper direction of said Beneficiary "Declarant." The Declarant and Trustee execute this Declaration with the intent that the reservations, covenants, conditions and use restrictions contained herein shall run with the real property described in Section B for the purposes as hereinafter set forth.

Now, therefore, Equestrian Development Corporation hereby declares the real property ("The Property") described and referred to in Section C below ("Definitions," "The Property") shall be held, improved, used, transferred, sold and conveyed subject to the reservations, covenants, conditions, restrictions, easements, liens and charges hereinafter set forth, all of which shall be deemed to run with the described Property. This Declaration shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in the Property or any part thereof, including their heirs, successors, successors-in-title, and assigns.

B. GENERAL PURPOSES

The purposes of this Declaration and the Governing Documents are to:

- Establish a general plan for the development of the Property;
- Create and manage a rural residential community of single family detached residences with open spaces and facilities for the general benefit of its residents
- Ensure the appropriate improvement, use and disposition of the Lots within the Property
- Establish reasonable covenants, conditions and restrictions to promote harmonious development and Use of the Property, and
- Protect and enhance the value, appearance and desirability of the Lots for the benefit of all present and future Owners.

As part of the development plan, Declarant has formed the Granite Mountain Unit V Phase 2 Homesites Association, an association comprised of all Owners in Unit V Phase 2. The Homesites Association will be responsible for implementing the Declarant's goals for the community, as they are expressed herein, including the enforcement of the mutually beneficial covenants, conditions and restrictions regulating the improvement and uses of the land.

By executing this Declaration, Declarant intends to create an environmentally sensitive community boasting a high quality of life for its residents. Foremost among these goals is the Declarant's desire to maintain the quietude of the rural area and to preserve and display the natural beauty of the surrounding environment.



C. DEFINITIONS

The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified.

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

Lots 22 to 25 and 51 to 58, inclusive, Granite Mountain Homesites Unit V, Phase 2, according to the plat of record in the office of the County Recorder of Yavapai County, Arizona, recorded in Book 53 of Maps, Pages 73 to 74 thereof.

"ADDITIONAL PROPERTY" shall mean and refer to any of the undeveloped land adjacent to the Property owned by the Developer as and when developed and specifically made subject to these or similar covenants and restrictions.

"ANNEX DECLARATION" shall mean an amendment or supplement to this Declaration that subjects additional property to this Declaration, identifies any Common Area within the Additional Property, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

"ARCHITECTURAL COMMITTEE" shall mean and refer to the committee formed by the Board of Granite Mountain Homesites V Phase 2 to create, administer, review and enforce architectural standards.

"ASSOCIATION" shall mean the Granite Mountain Unit V, Phase 2, Homesites Association, a non-profit association to be comprised of Developer (so long as Developer chooses to remain a member) and the owners of Lots within the Property and other property adjacent or nearby, developed pursuant to a common plan, which may be subjected to these restrictions by Developer, and which Association will enforce the covenants, conditions, restrictions hereby declared for the benefit of its members.

"BASE COVENANTS" shall mean the covenants, conditions and use restrictions established by this Declaration as set forth in Section E below.

"SUPPLEMENTAL COVENANTS" shall mean any additional covenants, conditions and restrictions imposed by the Association pursuant to its authority and approved by its Members as described herein subsequent to the filing of this Declaration.

"BOARD" shall mean the Board of Directors of the Granite Mountain Unit V Phase I Homesites Association, the body responsible for administration of the Association.

"BUILDER" shall mean any person who purchases one or more Lots within the Property for the purpose of constructing improvements for later sale to consumers, or development, and/or resale in the ordinary course of such person's business.

"COMMON AREA" shall mean and refer to all real and personal property that the Association now or hereafter owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

"DECLARANT" shall mean Equestrian Development Corporation, an Arizona corporation.

"DESIGN GUIDELINES" shall mean the architectural, design, development, and other guidelines, standards, controls, and procedures including, but not limited to, application and review procedures, as they may be amended from time to time.

"DEVELOPER" shall mean Equestrian Development Corporation, an Arizona corporation.



"GOVERNING DOCUMENTS" shall mean and refer to this Declaration, including the Base Covenants, and any Design Guidelines, regulations, rules and/or policies adopted by the Association or its Board and containing standards relating to the holding, improvement, use, and/or transfer of ownership of the Lots and Property referred to herein.

"IMPROVEMENT" shall mean and refer to any building, fence, wall or other item, structure or change made to the appearance of any Lot, including but not limited to any swimming pool, road, driveway, parking area or any trees, plants, shrubs, rocks, ground cover, or other landscaping improvements.

"LIVING UNIT" shall mean and refer to any portion of the building or home situated upon a Lot within the designated Property intended for use and occupancy as the primary residence by a single family.

"LOTS" shall mean and refer to Lots as shown upon the latest applicable recorded subdivision plat or plats of the Property.

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

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

"PERSON" shall mean any individual, corporation, partnership, limited liability company, or other legal entity.

"REGULAR ASSESSMENT" shall mean assessments levied on all Lots to fund Common Expenses, as more particularly described herein. "SPECIAL ASSESSMENT" shall mean assessments levied against all Lot owners to cover unanticipated costs, as more particularly described herein. "BENEFITED ASSESSMENT" shall mean assessments levied on one or more but less than all Lots, as more particularly described herein.

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

"VISIBLE FROM ANY STREET OR NEIGHBORING LOTS" means, with respect to any given object, that such object situated on an Owner's Lot is or would be visible from any viewpoint on any street or other lot.



D. THE ASSOCIATION

1. Functions of Association. The Association shall be (i) the entity primarily responsible for ensuring compliance with and enforcing the Base Covenants specified herein; and (ii) the entity permitted to provide for and fund such community activities and services as may be deemed necessary, appropriate or desired in accordance with this Declaration. Any action, approval, duty or other matter to be performed as undertaken by the Association or its Board may be delegated to any Neighborhood Association or other person or entity if the Board determines such delegation to be in the best interests of the Owners. The Association and its delegee, if any, shall perform its functions in accordance with this Declaration and Arizona law.

2. Formation and Board. The Association is a nonprofit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in its Articles, Bylaws, and this Declaration. In the event of any conflict or inconsistency between this Declaration and the Articles, Bylaws, Association Rules or Architectural Rules, this Declaration shall Control.

The administrative activities, responsibilities and affairs of the Association shall be conducted by its Board and such officers as the Board may elect or appoint in accordance with the Association's Articles and Bylaws. Unless the Governing Documents specifically require the vote or written consent of Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board. The Board shall have the power to levy reasonable fines against an Owner for violation of the Governing Documents by the Owner, a lessee of the Owner, by any resident of the Owner's Lot, or by any contractor, invitee, or guest of the Owner.

3. Architectural Committee. The Association shall have an Architectural Committee to perform the functions of the Architectural Committee as described in this Declaration. The Architectural Committee shall be a Committee of the Board and consist of three persons. The Architectural Committee may promulgate guidelines, standards and procedures to be used in rendering its decisions. Such guidelines, standards, and procedures shall be consistent with the provisions of this Declaration and may include without limitation, provisions regarding: (a) architectural design of Improvements; (b) the placement of Living Units, other buildings and structures on Lots; (c) landscaping design, content and conformance with the character of the Property; (d) acceptable exterior colors, exterior color schemes, exterior finishes and materials; (e) signage; (f) the activities of Builders, contractors or others constructing or altering Improvements situated on Lots including, but not limited to, the hours during which such work may be performed; (g) acceptable type, wattage, design and location of exterior lights; and (h) acceptable design, appearance and materials of fences, walls, driveways, parking areas, and other exterior structures.

The Architectural Committee shall hold meetings as required to perform the Committee's functions as described herein. A quorum for such meetings shall consist of a majority of its members, and the affirmative vote of a majority of its members shall be necessary for any decision of the Committee. The Committee shall keep and maintain a written record of all actions taken at its meetings.

4. Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Lot and one vote per Lot on matters before the Association. Declarant may cast one vote for each Lot owned by the Declarant in any Phase of Unit V of the subdivision made subject to this Declaration as to which a Real Estate Report has been issued approving the sale of Lots to the public. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner that is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.



So long as the Declarant owns any Lot, Paul D. Levie, or other appropriate officer of Equestrian Development Corporation, shall be permanent voting members of the Association, its Board and the Architectural Committee and not subject to removal by action of the Association or the Board. Other members of the Board and Architectural Committee shall be comprised solely of persons elected by Association Members. The Declarant, may at any time voluntarily surrender his or her right to be a member of the Association's Board and/or its Architectural Committee.

5. Exercise of Voting Rights. Votes on any issues before the Association shall be cast in writing by delivery to the designated Secretary of the Association. In any situation where a Member is entitled personally to exercise the vote for his or her Lot, and there is more than one Owner of such Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

6. Rule-Making Authority. To carry out the intent and purpose of this Declaration, the Association and its Board have rule-making authority and may establish reasonable rules and regulations for the benefit of all Owners within the subdivision.

7. Association Finances, Assessments, Time of Payment and Liens The Association may levy assessments against each Owner for expenses as the Board may specifically authorize from time to time. There shall be three types of assessments for Association expenses: (a) Regular Assessments; (b) Special Assessments; and (c) Benefited Assessments. Each Owner, by acquiring legal or equitable title for any portion of a Lot, is deemed to covenant and agree to pay these assessments and to have unpaid assessments be a lien upon the Owner's Lot.

Assessments shall be paid in such manner and by such dates as the Association may establish. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot, the Association may assess a late charge and require unpaid installments of all outstanding assessments to be paid in full immediately.

(a) Regular Assessments. Not less than 30 days before the beginning of each fiscal year, the Board shall prepare a budget covering the Common Expenses estimated to be incurred during the coming year. Based upon such budget, a Base Assessment may be levied equally against all Lots subject to assessment and shall be set at a level that is reasonably expected to produce the total amount of anticipated expenses. The Declarant will be responsible for payment of the Base Assessment on each unsold Lot, and shall be entitled to reimbursement from the Association of the pro-rated amount of the Base Assessment charged to any new purchaser of a Lot in the year on which the Base Assessment has already been levied.

Notice of assessments shall be mailed directly to each Owner at the last mailing address indicated in the records of the Association. If the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined, the budget in effect for the immediately preceding year shall continue for the current year.

(b) Benefited Assessments. The Association may levy Benefited Assessments against a particular Lot or Lots for expenses incurred or to be incurred by the Association as follows: (a) to cover the costs of benefits or services to a Lot(s) or the occupants thereof upon request of the Owner(s), which assessments may be levied in advance of providing the requested benefits or services; or (b) to cover costs incurred in bringing a Lot(s) into compliance with the Governing Documents or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot(s), their licensees, invitees, or guests;



provided, the Association shall give the Owner(s) prior written notice and an opportunity for a hearing before levying a Benefited Assessment under this provision (b).

- (c) Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Special Assessment may be levied against the entire membership, if for Common Expenses, or against the Lots within any Neighborhood, if for Neighborhood Expenses. Such Special Assessments shall be payable in such manner and at such times as determined by the Association and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8. Personal Obligation. The obligation to pay assessments is a separate and independent covenant on the part of each Owner, and each Owner covenants and agrees to pay all assessments by the Association authorized in this Declaration. All assessments, together with interest from the due date of such assessment at the rate of 18% per annum unless a different rate is a rate determined by the Board, reasonable late charges established by Board, costs, and attorney's fees, shall be the personal obligation of the Person who is the Owner of such Lot at the time the assessment is imposed. Upon a transfer of legal or equitable title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first mortgagee or deed of trust beneficiary who obtains title to a Lot by exercising the remedies provided in its mortgage or deed of trust shall be liable for unpaid assessments which accrued prior to such acquisition of title.

9. Lien for Assessments and Effective Date. All assessments shall constitute a lien against the Lot against which they are levied until paid. The lien shall also secure payment of all interest, late charges, costs of collection and such lien shall be superior to all other liens. The Association may enforce such lien, when any assessment or other charge is delinquent, or take any other action either independently or simultaneous to the extent permitted at law or in equity. The obligation to pay an assessment shall commence as to each Lot on the first day of the month following the date the Association levies assessment.

10. Association Property. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property.

11. Compliance and Enforcement. Every Owner and all occupants of dwellings on Lots within the Property shall comply with all of the reservations, covenants, conditions and restrictions relating to the ownership, improvement, use, and disposition of Lots. Any member of the Association may bring to the Board's attention an alleged violation of any provision of the Governing Documents by any other Owner, occupant, guest or invitee.

- (a) Procedures of Enforcement. The Board shall establish in writing and distribute to all Owners and occupants the procedures to be followed in the event of an alleged violation with respect to investigation, providing written notice to the Owner and/or occupant, and a hearing to determine if a violation has, in fact, occurred. If, after providing reasonable notice and conducting a hearing in accordance with said procedures, the Board determines that a violation(s) has occurred and the owner or occupant refuses to cease the objectionable action and/or to take the required corrective action within the time required by the Board, the Board may impose sanctions for such violation(s) including, without limitation, some or all of the following:

- (1) Reasonable monetary fines that shall constitute a lien upon the violator's Lot. If any occupant, guest or invitee of a Owner violates any provision of the Governing Documents and a fine is imposed, the fine shall first be assessed against the occupant;



provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

- (2) Suspending an Owner's right to vote;
 - (3) After reasonable notice, exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of any applicable parking rules and regulations);
 - (4) After reasonable notice, requiring an Owner, at his/her own expense, to remove any landscaping, structure or improvement on such Owner's Lot in violation of the Governing Documents and to restore the Lot to its previous condition; and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter on to the Lot, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass nor support any claim for damages;
 - (5) Without incurring liability to any Person, to preclude or restrict, any contractor, subcontractor, agent, employee or other invitee of an Owner or occupant who fails to comply with the covenants, conditions, restrictions, rules or regulations established by the Governing Documents, from performing or continuing to perform any further activities in any Lot; and
 - (6) Levying Benefited Assessments to cover costs incurred by the Association to bring a Lot into compliance with the Governing Documents.
- (b) Nature of Remedies. All remedies set forth herein for violation of the Governing Documents shall be cumulative of any remedies available at law or in equity. The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with the applicable law, or in any case in which the Board reasonably determines that it would not be economically prudent or would otherwise not be of sufficient benefit to the Association to justify taking enforcement action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or stop the Association from enforcing any other covenant, restriction or rule. Moreover, any failure of the Association to take action to enforce any covenant, restriction, or rule established by the Governing Documents shall not prohibit any other Owner from taking such action as an intended beneficiary of said covenants, restrictions, or rules.
- (c) Exercise of Rights. The Association may also exercise any right or privilege given to it expressly by the Governing Documents or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege. Except as may be otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

12. Limitation of Liability. No member of the Board or of any committee of the Association, no officer of the Association, and no employee or agent of the Association shall be personally liable to any Member, or to any other person or entity, 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, committee member, or employee or agent of the Association; except this limitation of liability shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct.



E. BASE COVENANTS, CONDITIONS AND RESTRICTIONS

1. Owners' Acknowledgment. All Owners are subject to the following Base Covenants. Owners hereby acknowledge that the use of their privately owned property is limited by these Covenants. By accepting a deed conveying title or by acquiring any interest in a lot subject to this Declaration, each Owner agrees to abide by the covenants and restrictions set forth in this Declaration.

2. Protection of Owners. Declarant, its successors, assigns and grantees, hereby covenant and agree that the Lots and the membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot.

Except as set forth herein, neither the Association nor its Board may adopt any rule that:

- (a) provides that similarly situated Owners and occupants shall be treated differently;
- (b) restricts the rights of Owners and occupants to display political signs and symbols of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods, except that the Association may adopt reasonable time, place, and manner restrictions regulating signs and symbols which are visible from outside the Living Unit;
- (c) restricts the rights of Owners and occupants to display religious and holiday signs, symbols, and decorations on their Living Units of the kinds customarily displayed in residences located in single-family residential neighborhoods, except that the Association may adopt reasonable time, place, size and manner restrictions regulating displays which are visible from outside the Living Units;
- (d) restricts the rights of Owners and occupants to assemble in common areas of the subdivision, provided, however, the Association may adopt reasonable time, place, and manner restrictions on such assembly;
- (e) restricts the freedom of Owners and occupants to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Living Unit on the basis of the size and facilities of the Unit;
- (f) restricts the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other dwellings, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance;
- (g) requires Owners or occupants to dispose of personal property or pet being kept on a Lot which, prior to the adoption of such rule, was in compliance with all rules in force at such time unless otherwise required to be removed by law;
- (h) restricts leasing of any living unit or transferring of any Lot, except that the Association may require a minimum lease term of 12 months and require that Owners use lease forms approved by the Association;
- (i) applies retroactively except as otherwise required by law; or
- (j) restricts or unreasonably impede Declarant's right to develop the Property or the Additional



Property, as generally anticipated in the development plan for this community.

Notwithstanding the foregoing, the rights conferred under subsection (g) above are for the benefit of affected Owners only and shall not be transferable or run with title to any Lot; and nothing therein shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance as determined by the Association or its Board.

3. Architectural Control. The Architectural Committee is responsible for reviewing and pre-approving all proposed plans for construction and lot improvements by Owners or Builders.

- (a) Excavation. No excavation or grading work shall be performed by an Owner or Builder on any Lot without the prior written approval of the Architectural Committee.
- (b) Improvements. No Improvement shall be commenced, constructed or installed on any Lot without the prior written approval of the Architectural Committee. No addition, alteration, repair, change or other work which in any way alters the exterior appearance of any Lot, or the Improvements thereon, from their appearance on the date this Declaration is recorded or from their appearance as previously approved by the Architectural Committee shall be made or done without the prior written approval of the Architectural Committee. Similarly, written approval of the Architectural Committee is required regarding any change, deletion or addition to previously approved plans and specifications.
- (c) Application for Approval. Any Owner desiring approval of the Architectural Committee for excavation, grading work, or landscape design, or for construction, installation, addition, alteration, repair, change or replacement of an Improvement that would alter the exterior appearance of a Lot or of the Improvements thereon, shall submit to The Architectural Committee, c/o the Association at 2465 Shane Drive, Prescott, AZ 86305 (or such other address as the Association may designate), a written request for approval specifying in detail the nature and extent of the excavation, grading work, landscaping, construction, installation, addition, alteration, repair, change or replacement that the Owner desires to perform. Any Owner requesting the approval of the Architectural Committee shall also submit to the Committee any additional information, plans and specifications that the Committee may request. The Architectural Committee may establish a reasonable fee for architectural review, payable at the time of application.
- (d) Building Plans & Specifications. At a minimum, the building plans and specifications submitted for approval to the Architectural Committee should include the design, foundation, floor plans, elevations, structural details, materials, finishes, exterior colors, and grades of the main Living Unit, garage, and any other buildings or structures proposed to be constructed on a Lot. Such plans and specifications should also include the length, height, design, materials, and finishes of any proposed walkways, walls, fences, corrals, gates, entrance ways, light posts, signs and mailboxes.
- (e) Site Plans/ Landscape Plans. A site/landscape plan showing the location on the Lot of all proposed Improvements, including but not limited to the main Living Unit, other buildings, garages, pools, patios, walkways, driveways, parking areas, retaining walls, animal shelters, corrals, fences, entrances, light posts, signs, and mailboxes shall also be included for Architectural Committee review and approval. Such site/landscape plans should include (1) trees to be removed to permit construction; (2) the location of all easements; (3) the location, dimensions and bearings of the exterior boundaries of the Living Unit and of any other structures proposed to be built on the Lot; (4) existing grades and proposed grade changes; and (5) proposed front, side and rear set-backs.



- (f) Approval. In the event the Architectural Committee fails to approve or disapprove an application for approval within thirty (30) days after submission of the application together with any required fee and supporting documentation, plans and specifications, the Owner requesting approval shall then submit a second written request seeking action by the Committee. If the Architectural Committee fails to approve or disapprove the application within ten (10) days after receipt of such second request, the Architectural Committee will be deemed to have approved such application. However, the approval of the Committee by reason of its failure to timely disapprove an Owner's application shall not relieve any such Owner from the obligation to comply with all other provisions of the Governing Documents nor foreclose the Association or any other Owner from filing suit to enjoin the construction, installation, or alteration or otherwise seeking to enforce such provisions. Accordingly, the Owner or Builder remains responsible to ensure that the design, location, and kind of materials used in the construction, installation, addition, alteration, repair, change or replacement of an Improvement on any such Lot are in compliance with all provisions of the Governing Documents and in harmony with the existing Living Units, buildings, landscaping, and other Improvements on such Lot and other Lots within the Property.

The approval by the Architectural Committee of any construction, installation, addition, alteration, repair, change or other work pursuant to this provision shall not be deemed a warranty or representation by the Committee as to the quality of such construction, installation, addition, alteration, repair, change or other work or that it conforms to any applicable building codes or other federal, state or local law, statute, ordinance, rule or regulation.

- (g) Disapproval. The Architectural Committee may disapprove any application if the Committee determines in its discretion that (1) any proposed construction, installation, addition, alteration, repair, change or other work would violate a provision of this Declaration or the Governing Documents; (2) any proposed construction, installation, addition, alteration, repair, change or other work is not in harmony with existing Improvements on the subject Lot or other Lots or with Improvements previously approved by the Committee but not yet constructed; (3) any proposed construction, installation, addition, alteration, repair, change or other work is not aesthetically acceptable; or (4) any proposed construction, installation, addition, alteration, repair, change or other work is not in accord with the general development plan for the Property.

4. General Use of Land and Timeliness of Construction. The following covenants are deemed essential to promoting and maintaining the development of the Property consistent with the purposes of this Declaration.

- (a) Division or Conveyance of Lots. No Lots shall be re-subdivided into smaller lots nor conveyed or encumbered in less than the full original dimensions of such Lot. This restriction shall not prevent the conveyance or encumbrances of adjoining or contiguous Lots or part of Lots in such a manner as to create parcels of land in common ownership having the same or greater street frontage than originally provided and described for any one of the Lots, portions of which are so conveyed or encumbered. Thereafter, portions of adjoining or contiguous Lots in such common ownership shall, for the purpose of these reservations, covenants, conditions, and restrictions, be considered as one Lot. This restriction shall not 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 purposes of these provisions, be treated as a whole Lot.
- (b) Limitations On Land Use. Lots subject to this Declaration shall be used exclusively for RESIDENTIAL PURPOSES. No business, commercial use, husbandry, trade or manufacturing of any nature or description, whether for profit or not, shall be carried on or transacted on any portion of any Lot or from within any Living Unit, except that an Owner occupying the premises or other resident may maintain a private office and conduct a home-



based business from inside a Living Unit provided that:

- (1) such business activity is not apparent or detectable by sight, sound or smell from outside of the Living Unit,
- (2) the business activity conforms to all applicable zoning ordinances or requirements for the subdivision,
- (3) the business activity does not involve Persons or commercial vehicles (other than U.S. Postal Service or express delivery carriers) coming to the Lot or the door-to-door solicitation of other Lot owners, and
- (4) the business activity, in the discretion of the Board, is consistent with the residential character of the subdivision and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other residents.

Neither the leasing of a Living Unit by the Owner thereof nor the use of a reasonable area of a Lot to grow vegetables/herbs for personal consumption by the residents of a Living Unit shall be considered a trade or business within the meaning of this provision.

- (c) Building Location and Setbacks. No building or structure shall be erected outside the building envelope for each Lot established by the Planning and Zoning Department of Yavapai County as indicated on the recorded plat of the subdivision. Notwithstanding the foregoing minimal setback requirements, the Architectural Committee may require a greater setback distance with respect to any proposed building or structure to be erected on any Lot.
- (d) Size and Design of Main Living Units, Garages and Other Structures. Lots in this subdivision are designed to accommodate one main Living Unit and related structures approved by the Architectural Committee. All main Living Units and other Improvements constructed on a Lot shall be of new construction, and no buildings or structures shall be moved from other locations onto any Lot.

The floor area of the main Living Unit on any Lot, exclusive of porches, garages, patios, sun rooms, gazebos, or any other similar extensions or projections of the main structure, shall not be less than three thousand five hundred (3,500) square feet. When there is a second story or a basement to the main Living Unit, the primary living level must be at least two thousand (2,000) square feet of livable area exclusive of said extensions or projections of the main structure. In addition, each main Living Unit must provide a fully enclosed attached or semi-detached garage for a minimum of two full-sized automobiles. Any detached building approved by the Architectural Committee designed for use as a guesthouse or servant's quarters shall not be less than one thousand (1,000) square feet of livable area on its main level, exclusive of extensions or projections of the main structure. Any variation from the stated minimum square footage requirements must be approved in writing by the Architectural Committee. No detached single car garages may be constructed on any Lot.

All buildings and structures erected on any Lot shall be designed and constructed in harmony with the main Living Unit on such Lot.

- (e) Timeliness of Construction. Once building permits have been obtained and work is begun on any Improvements approved by the Architectural Committee, all work relating to the exterior of the structure must be completed without delay within one (1) year thereafter, except when such delay is caused by act of God, strikes, actual inability of the Owner or Builder to procure delivery of necessary materials, or by interference by other persons beyond the control of the Owner or Builder.

The financial inability of the Owner or Builder or of any contractor to secure labor or materials



or to discharge liens or attachments shall not be deemed a cause beyond the Owner's or Builder's control.

- (f) Order of Construction and Permitted Use. No garage or other buildings shall be erected on any Lot until a Living Unit has been erected, however construction of the main Living Unit and an approved garage, guesthouse or other buildings may proceed simultaneously. After the construction of the main Living Unit, other completed approved buildings may be used as a residence for guests or for actual servants or employees of the occupants of the main Living Unit, provided no such quarters shall be rented or used for income purposes unless approved by the Board.
- (g) Repair or Reconstruction of Destroyed Structures. In the event any Living Unit, building or structure is destroyed or partially destroyed by fire, act of God, or as a result of any other act or thing, the damaged Unit, building or structure must either be repaired and reconstructed, or demolished and the debris removed, in a timely manner. If the Owner fails to comply with this provision, the Association may undertake the work on the owner's behalf and charge the Owner therefore. The Association may enforce collection of such amounts in the same manner and to the same extent as provided in this Declaration for the collection and enforcement of assessments.
- (h) Landscaping. The Owner or Builder shall complete the initial landscaping plan approved by the Architectural committee no later than twelve (12) months following the completion of construction and the date of final inspection of the main Living Unit by the County of Yavapai. Since the native trees and shrubs are one of Granite Mountain Homesites' major attractions, Owners and Builders should do everything possible to preserve the natural environment of the Property.

5. Promoting Appearance, Quietude, Health and Safety. The following covenants are intended to preserve the natural beauty of the Lots within the subdivision and quietude, health and safety of Lot Owners and other residents.

- (a) Unsightly and Offensive Activities. No unsightly, obnoxious or offensive activity shall be carried on upon any Lot; nor shall any Lot be used in any way which may endanger the health or safety of any other Lot Owner or resident; nor shall any object be erected, placed, or permitted to remain on any Lot which is or may become an annoyance, disturbance or nuisance to Owners or residents of other Lots within the Property. No substance, animal, thing or material shall be kept upon any lot that will emit a foul or obnoxious odor, or cause any condition that might harm or destroy the natural vegetation of the Lot or disturb the peace, quiet, comfort or serenity of the Owners or occupants of the neighboring Lots. Excessive noise caused by improperly muffled vehicles or improperly maintained lawn or garden equipment is not permitted.

The determination as to whether an activity, object, substance, animal or thing is unsightly, obnoxious, offensive, emits excessive noise, disturbs the peace and quiet or threatens the health or safety of Owners or occupants, shall be within the discretion of the Board.

- (b) Removal and Costs. The Board, after reasonable notice, shall have the right to have any materials, apparatus, items, vehicles or equipment that is kept, maintained, constructed, reconstructed, repaired or parked on any Lot in violation of this restriction or any provision of the Governing Documents removed from the Lot at the cost and expense of the owner of the such apparatus, item, vehicle or equipment. Any expense incurred by the Association in this connection shall be paid to the Association upon demand by the owner thereof. If the apparatus, item, vehicle or equipment is owned by an Owner, Builder or resident of any Lot, any amounts payable to the Association shall be secured by a Special Assessment and



related lien upon the Lot, and the Association may enforce collection of such amounts in the same manner as provided in this Declaration for the collection of other assessments.

6. Specific Conditions, Restrictions and Controls. The following covenants are designed to enhance the physical appearance of Lots and Improvements in the subdivision and promote the desired high quality standard of living of Owners and other residents.

- (a) Above-Ground Pipes, Lines And Wires. No above-ground pipes, utility lines or wires of any type (except temporary power/water/phone lines incident to construction) shall be erected, installed or placed on any Lot without the prior written approval of the Architectural Committee.
- (b) Alternative On-Site Disposal Systems. This type of human waste disposal system will be allowed when approved by Yavapai County and the Arizona Department of Environmental Quality (ADEQ). Each Owner agrees to maintain, inspect and test any such system as follows:

Each Owner of a Lot with an alternative on-site disposal system shall be solely responsible for maintenance of such system. As a minimum, each Owner must contract with an operator, certified by the Arizona Department of Environmental Quality (ADEQ) minimum Grade WW2, to annually inspect and test all necessary equipment of the disposal system. The Association will require the submission of these Test/Inspection Reports annually upon the collection of Regular Assessments. The Association may enforce this responsibility similar to enforcement of any other requirements, covenants, conditions, or restrictions imposed upon Owners under this Declaration.

- (c) Animals. No animals, including livestock, poultry or reptiles shall be raised, bred, or kept on any Lot, except that a reasonable number of horses, or of dogs, cats or other generally recognized household pets, may be kept provided that they are not kept, bred or maintained for commercial purposes.

The number of animals permitted to be kept on any Lot shall be governed by Yavapai County zoning regulations. Notwithstanding any governmental limitation, the determination as to whether an animal or animals fall within the category of "household pets" or constitute a "reasonable number" shall be within the discretion of the Board.

All animals permitted under this provision shall be confined to an Owner's Lot except when accompanied by its owner, and in no event shall be permitted to enter upon any other Lot. Horses kept on any Lot shall be confined to a corral approved by the Architectural Committee, and shall not be allowed to roam or graze freely on such Lot. No structure for the care, housing or confinement of any animal shall be constructed or maintained on any Lot without the prior written approval of the Architectural Committee. Upon the written request of any Owner or resident, the Board shall determine, in its sole discretion, whether, for the purposes of this provision, a particular animal is a nuisance or making an unreasonable amount of noise or annoying or disturbing any Owner or resident.

- (d) Antennas and Satellite Dishes. Outdoor towers and antennas, including but not limited to radio, short-wave, TV antennas and large (over 24" diameter) satellite dishes, are considered unsightly and shall not be erected, installed or constructed on any Lot without the prior written approval of the Architectural Committee, unless such item is located so as not to be visible from any street or neighboring Lots. Provided, however, this provision shall not operate to restrict any rights provided by federal, state or local law pertaining to electronic communication equipment.
- (e) Clothes Drying Facilities. Outdoor clotheslines, racks or dryers shall be screened, fenced or located so as to avoid visibility from any street and Neighboring Lots.



- (f) Driveways, Parking Areas and Walkways. Each Owner shall provide adequate paved or surfaced off-street parking space to accommodate the intended use of the Owner's Lot and shall not park, or permit others to park, any vehicles on unpaved or unsurfaced portions of the Lot. All driveways, parking areas, and walkways must be constructed of concrete, masonry, crushed granite or similar materials.
- (g) Dumping. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste.
- (h) Exterior Lighting. The viewing and enjoyment of the night sky by Owners and residents of Lots within the Property is considered one of the development's major attractions. Accordingly, no farm lights or other exterior ground or building lights shall be permitted on any Lot that effectively restrict the viewing and enjoyment of the night sky by Owners or residents of neighboring Lots.
- (i) Firewood. Firewood kept on any Lot must be neatly stacked adjacent to an approved structure.
- (j) Flag Poles. One flagpole shall be permitted per Lot, subject to Architectural Committee approval as to its height, location, construction, appearance, and the maximum size of any flag to be displayed thereon.
- (k) Garage Doors. Garage doors shall be kept closed except when in use.
- (l) Garbage Containers and Refuse Disposal. All garbage cans, containers and equipment for the temporary storage and disposal of rubbish, trash, garbage, or other waste materials shall be kept in a clean and sanitary condition and shall be screened or enclosed so as not to be visible from any street or neighboring Lots except when placed at the curbing on days regularly scheduled for the purpose of collection.
- (m) Gates, Fences and Walls. In addition to requiring Architectural Committee approval as to location, style, materials, finish and appearance, gates, fences or walls constructed on a Lot running generally along street frontage shall not be more than four (4) feet in height and gates, fences or walls along any other property line shall not exceed a height of six (6) feet.
- (n) Ground-Mounted Equipment. Exterior heating, air conditioning, cooling, or energy collection units and other ground-mounted electrical or mechanical equipment shall be screened, fenced and/or located so as not to be visible from any street or neighboring Lots.
- (o) Licensed and Unlicensed Vehicles. All vehicles licensed and authorized for use on public streets within the Property shall be equipped with a muffler in good working order to prevent excessive and unusual noise. Automobiles, trucks, motorcycles, mopeds, mini-bikes, trail bikes, ATVs, ORVs, and other motorized vehicles not licensed or authorized for use on the public streets and highways of Yavapai County shall not be operated on any Lots or on the Property or on the streets within the subdivision.
- (p) Lot Maintenance. To maintain the attractive appearance of the Property and the Improvements thereon, repair materials, storage items, tools, lawn/garden apparatus, and other temporary or permanent materials or equipment kept on any Lot shall either be screened, fenced or stored inside an approved building or structure so as not to be visible from any street or neighboring Lots.

The yards and grounds of all improved Lots shall be kept free of debris, rubbish and litter and maintained in a neat and orderly condition sufficient to maintain an appearance not out of keeping with that of other improved Lots within the Property. Furniture, clothing, household appliances, motor vehicle tires or parts, farm implements or apparatus, or other such items or



equipment shall not be strewn about the premises, kept in open view, or used as decoration or landscaping on any vacant or improved Lot.

Owners shall arrange for the appropriate care and maintenance of their Lots during any prolonged absence of the Owner or resident.

- (q) Machinery, Vehicles and Other Equipment. Unenclosed aircraft, boats, automobiles, trucks, trailers, tractors, 5th-wheels, campers, camper or vehicle shells, tents, motor homes, motorcycles, mopeds, mini-bikes, trail bikes, ATVs, ORVs, golf carts, go-carts, snowmobiles, recreational vehicles or apparatus, other vehicles with commercial signage, machinery, equipment and other similar items or property may not be kept, parked, maintained, constructed, reconstructed or repaired on any Lot or any street without the written approval of the Architectural Committee; except that:
- (1) standard automobiles, family vans, and standard sized pick-up trucks in good operating condition and appearance and not under construction or repair belonging to the Owner or other resident of a Lot may be parked on the driveway near the garage or in an approved parking area in open view; provided, however, that such open-view parking shall be limited to a total number of three vehicles only one of which may display commercial signage unless approved in writing by the Board;
 - (2) a motor home or similar vehicle may be temporarily parked on the driveway near the garage or in a parking area of a Lot for the purpose of loading or unloading not to exceed a period of more than seven (7) days within any twenty one (21) day period; and
 - (3) other machinery, vehicles and equipment or property may be kept on a Lot on the condition that the vehicle, equipment or property is screened, fenced or enclosed in an approved garage or other structure so as not to be visible from any street or neighboring Lots.
- (r) Outdoor Recreational Courts and Equipment. The placement, installation or construction of outdoor recreational, playground, hobby and/or exercise courts and equipment (including, but not limited to tents, playhouses/huts, sandboxes, swings, trampolines, jungle gyms, basketball goals and backboards, nets, markers, pins, bases) and in-ground or above-ground swimming or play pools, shall be subject to Architectural Committee approval. The Committee may require such items to be screened, fenced or so located as to avoid or minimize its visibility from any street and Neighboring Lots.
- (s) Removal of Trees or Vegetation. The Architectural Committee may, at the Owner's or Builder's expense (a) require replacement or substitute landscaping for trees or shrubs cut or removed without prior approval, or (b) enter upon any Lot and remove any trees infested with IPS Beetles or any other destructive insects or disease if, within five (5) days after receiving notification from the Architectural Committee such removal is not accomplished by the Owner or Builder. The foregoing shall not be construed to prohibit removal of vegetation that is reasonably necessary for fire protection.
- (t) Roof-Mounted Equipment. Installation or mounting of heating units, solar panels, air conditioners, coolers or any other mechanical or electrical equipment on the roof of any Living Unit, building or structure shall be permitted only upon written approval of the Architectural Committee.
- (u) Sight Distances at Intersections. No fence, wall, tree, hedge, shrub or improvement that obstructs the visibility of approaching vehicles within fifty (50) feet of any road intersection shall be constructed or permitted to remain on any corner Lot.



- (v) Signs. No advertising signs of any kind (except for one small "For Rent" or "For Sale" sign per Lot) or billboards shall be erected placed or permitted to remain on any Lot.
- (w) Storage Tanks and Equipment. Storage tanks should be installed underground whenever practical. Above-ground storage tanks and pump stations or equipment shall be either screened, fenced or located inside an approved structure so as not to be visible from any streets or neighboring Lots.
- (x) Temporary Occupancy. No vehicle, trailer, camper, motor home, mobile home, tent, shack, garage, barn, out-building or other buildings or structures of any kind on a Lot shall be used at any time as a residence, either temporarily or permanently; except that an Owner may occupy a Main Living Unit or guest house constructed on the Lot that has not been completely finished on the inside, provided that (1) the exterior of such Living Unit is completely constructed and finished according to plans approved by the Architectural Committee and (2) such occupancy does not violate any law or governmental regulation.
- (y) Temporary Building and Structures. Temporary buildings, trailers or other structures used during the construction of Improvements approved by the Architectural Committee may be kept or maintained on a Lot but must be removed immediately after the completion of construction, and in no event shall any such buildings, trailers or other structures be maintained or kept on any property for a period in excess of six (6) months without written approval of the Architectural Committee.
- (z) Theme Landscaping and Holiday Decoration. To ensure and maintain the attractive appearance of the Property and the Improvements thereon, no "theme" (for example, animal, mining, farm, western, antique) landscaping, decoration, scenes, mailboxes or items shall be installed, placed or constructed on any Lot without the prior written approval the Architectural Committee.

Exterior holiday decorations are permitted provided the same are not displayed more than 45 days prior to the holiday and removed within 30 days thereafter.

- (aa) Use of Streets. It is not intended that the streets within the Property be used for overnight parking or as a playground or for general recreation. In its discretion, the Board may prohibit roller-skating, roller-blading, skate boarding, or ice-skating on streets within the subdivision. Bicycle racing is not permitted on the streets within the Property.
- (bb) Vacant Lots. All vacant Lots within the Property shall be kept free of debris, rubbish and litter, as to present a neat and orderly appearance.
- (cc) Window Coverings. Only proper drapes, curtains, blinds or shutters shall be used as window coverings. To maintain the attractive appearance of the Improvements, no windows in any Living Unit or in any of the approved buildings or structures constructed on any Lot shall, after completion of the structure, be covered with aluminum foil, bed sheets, newspapers, or any other temporary or permanent materials.

F. EXPANSION OF GRANITE MOUNTAIN HOMESITES UNIT V

At any time on or before thirty (30) years after the date of Recording of this Declaration, the Declarant shall have the right to annex and subject to this Declaration all or any of the Additional Property described in the preliminary plat approved by Yavapai County without the consent of any Owner or other Person. The annexation of all or any portion of the Additional Property shall be affected by the Declarant recording an Annexation Declaration containing (i) the legal description of the portion of Additional Property being annexed; (ii) a statement that such portion of the Additional Property is annexed and subjected to this Declaration; (iii) a description of any portion of the Additional Property being annexed



which will be Common Area; and (iv) such additional easements, covenants, conditions or use restrictions as the Declarant may deem appropriate for the Additional Property being annexed. Unless a later effective date is set forth in the Annexation Declaration, such annexation shall become effective upon the recording of the instrument.

Declarant makes no assurances as to the exact number of Lots that shall be added to the subdivision by annexation or if all or any portion of the Additional Property described in the preliminary plot of Granite Mountain Homesites Unit V will be annexed.

The Additional Property may be annexed as a whole, at one time, or in one or more portions at different times, or it may never be annexed, and there are no limitations upon the order of annexation or the boundaries thereof. The land annexed by the Declarant of the Additional Property pursuant to this provision need not be contiguous with other property already subject to this Declaration, and the exercise of the right of annexation as to any portion of the Additional Property shall not bar the further exercise of the right of annexation as to any other portion of the Additional Property.

G. GENERAL PROVISIONS

1. Instruments of Conveyance, Notice of Covenants. All instruments of conveyance of any interest in all or any part of any Lot or the Property described above shall contain reference to this instrument and shall be subject to the reservations, covenants, conditions, and restrictions herein as fully as thought the provisions hereof were therein set forth in full.

2. Binding Effect and Enforcement. The reservations, covenants, conditions, and restrictions contained herein shall run with the land and shall be binding on all persons purchasing or occupying any Lot in the subdivision after the date on which this instrument is recorded. In the event of any violation or attempted violation of the reservations, covenants, conditions and restrictions contained in the Governing Documents, any Owner or Owners in the subdivision, or the Association, may bring an action at law or in equity to recover damages, to obtain an injunction, or to have granted any other right or remedy; provided, however, that any breach of said reservations, covenants, conditions, and restrictions, or any right of re-entry by reason thereof, shall not defeat nor affect the lien of any mortgage or Deed of Trust made in good faith and for value.

3. Homestead Waiver. Each Owner, to the extent permitted by law waives the benefit of any homestead or exemption laws of the State of Arizona with respect to any liens created pursuant to this Declaration.

4. No Waiver of Breach. Failure by the Association or by any Member to enforce any covenant, condition, or restriction herein contained, shall not be deemed a waiver of such right or any such future breach of the same or any other covenant, condition or restriction.

5. Award of Costs and Reasonable Attorney's Fees. If any action is instituted to enforce the provisions of this Declaration or other Governing Documents, the prevailing party shall be entitled to recover all costs thereof including reasonable attorney's fees.

6. Subordination. Nothing contained in this Declaration shall be held to invalidate the lien of any mortgage or Deed of Trust prior to foreclosure, provided, however, that any purchaser at any mortgage foreclosure sale or sale under Deed of Trust shall hold title to the acquired Lot subject to all the provisions hereof.

7. Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any other provision hereof.



8. Change of Circumstances. Except as otherwise expressly provided herein, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

9. Captions and Titles. All captions, titles or headings of the sections and paragraphs in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

10. Fire Suppression Requirements. A variance was granted November 19, 1996, by Central Yavapai Fire District upon the following terms and conditions:

- (a) All residential buildings hereby constructed within the proposed subdivision shall have a sprinkler system installed according to National Fire Protection Association Standard 13-D and Central Yavapai Fire District's requirements. A copy of those requirements is attached as Exhibit "B".
- (b) The residential sprinkler system requirements for all residential buildings within Granite Mountain Homesites Unit 5 subdivision shall be recorded with Yavapai County as Covenants, Conditions, and Restrictions. Proof of this recording shall be provided prior to approval of the final plat.
- (c) The sprinkler system requirement shall appear on the face of the final subdivision plat prior to submittal to Yavapai County for approval.

11. Amendment. This Declaration may be amended by a written instrument or counterparts thereof executed and acknowledged by (a) Developer, Equestrian Development Corporation, so long as it owns any lot in Unit V, Phase 2 of the Subdivision, or in any future expansion of Unit V (as described in "F. EXPANSION OF GRANITE MOUNTAIN HOMESITES UNIT V" on page 17 herein); (b) the owners of two-thirds (2/3) of the lots in Unit V, Phase 2 (or any authorized expansion thereof) of the subdivision not owned by the Developer. Any such amendment shall be effective upon the proper recording of such instrument.

H. DURATION

Unless terminated as provided hereafter, this Declaration shall have perpetual duration. Unless otherwise provided by Arizona law, in which case such law shall control, this Declaration may not be terminated within thirty (30) years of the date of its recording without the written consent of all Owners.



IN WITNESS WHEREOF, EQUESTRIAN DEVELOPMENT CORPORATION, an Arizona corporation, has caused its corporate name and seal to be hereunto affixed by its duly authorized officers this ____ day of _____, 2005, to this Declaration of Reservations, Covenants and Restrictions of Granite Mountain Homesites Unit V Phase 2.

EQUESTRIAN DEVELOPMENT CORPORATION, an Arizona Corporation, as duly authorized Beneficiary under Trust No. 5001

BY: *Paul D. Levie*
Paul D. Levie, Vice President of
Equestrian Development Corporation

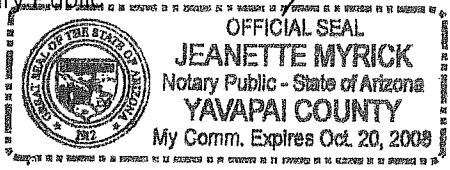
STATE OF ARIZONA)
)
County of Yavapai)

On this the 8th day of June, 2005, before me personally appeared PAUL D. LEVIE, who acknowledged himself to be the VICE PRESIDENT of EQUESTRIAN DEVELOPMENT CORPORATION, an Arizona corporation, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Jeanette Myrick
Notary Public

My Commission Expires:



RATIFIED AND APPROVED:

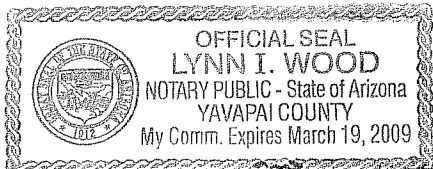
FIRST AMERICAN TITLE INSURANCE AGENCY, INC., as Trustee, solely as bare legal titleholder, and not personally.

BY: *David Lauterbach*
David Lauterbach, Trust Officer

STATE OF ARIZONA)
)
County of Yavapai)

On this the 8th day of June, 2005, before me personally appeared DAVID LAUTERBACH, who acknowledged himself to be the TRUST OFFICER of FIRST AMERICAN TITLE INSURANCE AGENCY, INC., as Trustee, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Lynn I. Wood
Notary Public