

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS LAZY YU RANCH PHASE II

Board of Directors Note: Property Owners should refer to the most recent version of the Association By-Laws for any regulations that relate to and/or further define these CC&R's

This Declaration is made by First American Title Insurance Company, a California corporation, as Trustee, Trust 7794 ("Trustee"), on behalf of its Beneficiary, LAZY Y U RANCH JOINT VENTURE, an Arizona partnership, hereinafter referred to as "Declarant".

Trustee is the owner of the following described real property situated within the County of Mohave, State of Arizona: Parcels 51 through 122 inclusive, LAZY Y U RANCH, PHASE II, according to the Survey of Map of records in the office of the Mohave County Recorder in Book 10 of Surveys, pages 66 through 66 E.

Trustee will convey said Parcels, subject to certain covenants, conditions, and restrictions, as hereinafter set forth. Trustee hereby declares that all of the Parcels described above shall be held, sold and conveyed subject to the following covenants, conditions, and restrictions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of all the Parcels, and all of which are hereby declared to be for the benefit of all the real property described herein and the owners thereof, their heirs, successors, grantees and assigns.

1. PURPOSE OF THESE COVENANTS, CONDITIONS AND RESTRICTIONS

The purpose of these covenants, conditions and restrictions is to assure the use of the real property for attractive residential and non-commercial farm and ranch purposes (as set forth herein) only, and securing to each Parcel owner the full benefit and enjoyments of his or her Parcel in furtherance of a common plan.

2. DEFINITIONS: As used herein, the following terms have the following meanings:

- A. The "Architectural Control Committee" means the committee provided for in Paragraph 5 of this Declaration.
- B. The "Association" means the Lazy Y U Ranch Phase II Property Owner's Association as referred to in Paragraph 3 of this Declaration.
- C. "Bona Fide First Mortgage" means any realty mortgage or deed of trust made in good faith and for value and properly executed and recorded so as to create a lien on any Parcel or Parcels that is prior to the lien of any other realty mortgage or Deed of Trust.
- D. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Lazy Y U Ranch Phase II.
- E. "Mobile Home" means a moveable or portable unit for residential purposes constructed to be towed on its own chassis and designed to be installed with or without a permanent foundation for human occupancy as a residence.
- F. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee or equitable or beneficial title to any Parcel. Owner shall include the purchaser of a Parcel under an executory contract of purchase and Declarant. The foregoing definition does not include persons or entities who hold an interest in any Parcel as security for the performance of an obligation.
- G. "Parcel" means a parcel described above or any portion thereof.
- H. "Property" means the real property described above, or any part thereof.
- I. The term "Roads" shall include all interior roads as shown on the Survey Map not governmentally maintained. Also included in the definition of "Roads" are street signs. The term "Roads" shall include not only the driving surfaces but also all rights-of-way, culverts and bridges. The term "Roads" shall not include the roads created by individual Parcel Owners within the confines of their respective Parcels.

3. PROPERTY OWNERS ASSOCIATION

A. There is hereby created the Lazy Y U Ranch Phase II Property Owner's Association. The purpose of the Association is to: (a) maintain the Roads as defined in paragraph 2. I. above, which are not maintained by a governmental or quasi-governmental agency, (b) to act as an Architectural Control Committee in accordance with the provisions of Paragraph 5 of this Declaration and (c) make provisions for electrical and telephone, utilities and cable T.V. Provided, that upon acceptance of the main Roads for acceptance by Mohave County or other municipal type entity, the Association, upon a seventy-five percent (75%) vote of the membership, shall be terminated and thereupon cease to exist, shall be dissolved, and shall have no further power to levy assessments or otherwise take any action. As to any portions of tributary roads which are not accepted for maintenance, the abutting property owners who are served by the non accepted roads shall be individually responsible for maintenance as they may decide among themselves.

B. Each and every Parcel Owner, in accepting a deed or contract for any Parcel, whether or not it shall be so expressed in such deed or contract, automatically becomes a member of the Association, and agrees to be bound by such reasonable rules and regulations as may, from time to time, be established by the Association. Membership shall be appurtenant and may not be separated from ownership of the Parcel. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer of ownership of such Parcel, whether by intestate succession, testamentary disposition, foreclosure, or such other legal processes as now in effect or as may be hereafter established pursuant to the laws of the State of Arizona. The Association shall be operated and conducted on a strictly cooperative and nonprofit basis. The Association may by a vote of a majority of its members be incorporated under Arizona law. Each Parcel Owner

as a member shall have such voting rights as set forth in this Declaration.

C. In furtherance of its purposes, which are generally as set forth above, the Association shall provide necessary and appropriate action for the maintenance, repair, replacement and management of the functions referred to in Paragraph A above.

D. The Association, in addition to the Trustee, shall have the power (and each Owner grants such authority) to dedicate in fee or by easement the Roads or any portions of the Roads or related facilities not already dedicated to the County or a municipality or an appropriately formed governmental district, upon such terms and conditions as the Association deems desirable, and in conjunction therewith and acceptance for maintenance by the governmental entity, the Association shall have the power and authority to adjust or eliminate assessments accordingly.

E. Each Parcel Owner is obligated to pay: (i) regular assessments for normal maintenance and repair and reserves, along with Association insurance and operating costs; (ii) special assessments for capital improvements with such assessments to be established by the Association. The regular and any special assessments, late payment penalties and charges, if any, together with interest (all as set by the Association) costs and reasonable attorneys fees, shall be a lien on the Parcel. Each Parcel Owner shall be personally responsible for his or her share of assessments imposed by the Association. This personal obligation for delinquent assessments shall not pass to the Owner's successor in title, unless expressly assumed by such successor; however, the obligation to pay same shall be a continuing lien on the Parcel, excepting for the provisions of Paragraph M below, relating to mortgages.

F. The Association shall, on an annual basis, make a determination as to the estimated costs of the repair, maintenance, and replacement of the Roads and other expenses in carrying out its duties, including any reserves necessary for future capital expenditures and maintenance. Assessments shall be charged to each Owner on a uniform per acre basis with any Parcel divisions proratably charged. The assessments may be collected on a monthly, quarterly or annual basis, or any combination of same as determined by the Association.

G. Each Owner shall be responsible to pay the regular assessment commencing as of the date of recordation of the deed or purchase contract wherein the Owner acquired legal, beneficial, or equitable title to the Parcel, with the assessment to be prorated for the calendar year. The Declarant shall not be responsible for comparable assessments on each Parcel owned by it or the Trustee. However, Declarant shall be responsible to provide labor, material and/or monies in sufficient amounts, not to exceed the amount of the normal lot assessment for each lot owned by it or the Trustee, necessary in Declarant's opinion to properly maintain the Roads. Regular assessments shall be set by Association on an annual calendar year basis. The initial regular assessment shall be \$200 per year. The Parcel Owner acquiring his or her interest from Declarant during the calendar year shall be obligated, for a pro rata portion thereof. The Association shall fix the amount of the regular assessment at least 30 days prior to the end of the calendar year. Written notice of the assessment shall be sent to every Owner. The payment due date shall be established by the Association.

H. In addition to the regular assessment as set forth above, the Association may set special assessments in addition to the regular assessment if the Association determines by 75% ownership vote that such is necessary to meet the primary purposes of the Association.

I. All sums assessed by the Association chargeable to a Parcel, but unpaid, shall constitute a lien on such Parcel prior to all other liens excepting only ad valorem tax liens in favor of a governmental assessing unit or special assessment district. The Association lien may be foreclosed by the Association in a like manner as a foreclosure of a real property deed of trust. The Association shall have the power to bid on the delinquent Parcel at foreclosure sale, and acquire, hold, lease, encumber and convey same. A suit to recover a money judgment for unpaid assessments and charges shall be maintainable by the Association without foreclosing or waiving the lien securing same.

J. The total number of votes in the Association shall be on the basis of one (1) vote per acre, provided, the Declarant shall have three (3) votes for each acre it owns or is owned by the Trustee. Unless otherwise specifically provided herein, all Association matters shall be determined by a majority vote. If more than one party is the divided Owner of a Parcel or portion thereof, there must be a unanimous agreement among those who own an interest in the Parcel as to how to cast the vote for the acres owned, otherwise, that vote shall not be counted.

K. The Association shall have the power to adopt Bylaws and to appoint its officers and directors, as well as promulgate reasonable regulations relating to the matters within its purposes.

L. Where the holder of a first mortgage of record obtains title to the Parcel as a result of foreclosure, or deed in lieu of foreclosure, of said first mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the expenses of the assessments by the Association chargeable to such Parcel which became due prior to the acquisition of title to such Parcel by such acquirer. As used in this Declaration, the term "mortgage" shall include "deed of trust" and "mortgagee" shall include the "beneficiary" under a deed of trust. Such acquirer shall be responsible, as any Owner, for assessments charged subsequent to acquisition of title.

M. In the event the Association or Declarant determines that any Parcel Owner has not complied with the provisions of this Declaration, then the Association or Declarant may, at its option, give written notice to the Owner of the conditions complained of. The Owner shall correct same or, if not readily correctable within fifteen days after notice from the Association or Declarant, the Owner shall submit corrective plans proposing its remedy to the condition complained of within fifteen days after notice from the Association. The Association or Declarant shall approve or disapprove any plans submitted by the Owner and set forth a reasonable time for correction of the condition complained of. In the event such condition is not corrected according to the approved plans, within the allotted time,

the Association or Declarant shall have the right to undertake to remedy such condition or violation complained of. The cost thereof shall be deemed to be an assessment to such Owner and enforceable by the Association or the Declarant as if any other unpaid assessment. The Association and Declarant are hereby granted the right of entry on the affected Parcel to so correct the condition or violation complained of.

Declarant reserves the right to comparably develop adjacent land and incorporate said adjacent land within this Declaration by specific reference thereto. Any such expansion to be included within this Declaration shall be subject to all the terms and conditions of this Declaration.

5. ARCHITECTURAL CONTROL

No Parcel leveling, planting, landscaping, residence, barn, outbuilding, fence or wall or other improvement or installation, shall be commenced, erected, placed, or altered on any Parcel, until the plans and specifications therefore, showing the nature, kind, shape, materials, floor plans, and locations, shall have been submitted to, and approved by the Architectural Control Committee ("Committee") and a copy thereof is finally approved and lodged permanently with the Committee. The Committee shall have the right to refuse any such plans or specifications which are not suitable or desirable in its opinion for aesthetic reasons, or any other reason, and in so passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed building or other structure, and the material which is to be used, the site upon which it is proposed to be erected, the harmony with the surroundings, and the effect of the proposed structure on the outlook from adjacent or neighboring property.

A. Membership. The Committee shall be initially composed of 3 persons appointed by Declarant. When 75% of the Parcels have been sold by Declarant, then the function of the Committee shall be assigned to the Association. The members of the Committee shall not be entitled to any compensation for services performed pursuant to this covenant, but shall be entitled to reimbursement for reasonable costs expended, as approved by the Association. In the absence of the Association, the existing members of the Committee shall appoint their successors, unless the ownership of a majority of the acreage included with this Declaration votes otherwise.

B. Procedure. The Committee's approval or disapproval as required in this Declaration shall be in writing. Actions of the Committee shall be by the majority vote of the members of the Committee. All decisions of the Committee shall be final and no Parcel Owner or other party shall have recourse against the committee or its designated representatives, or its members, or its disapproval or refusal to approve. In the event the Committee or its designated representative fails to approve or disapprove within 30 days after the plans and specifications have been submitted to it, the plans and specifications shall be deemed to have been approved.

6. GENERAL RESTRICTIONS APPLICABLE TO ALL PARCELS

A. Land Use. No manufacturing or commercial enterprise, or enterprise of any kind for profit shall be permitted. No Parcel shall be used for other than single family residential and/or non-commercial farm or ranch purposes. It is not a requirement of this Declaration that a residence be maintained as a condition to the use of the property as a non-commercial farm or ranch. Barns, sheds and other outbuildings shall be allowed, in addition to single family residential structures, provided that no improvements may be commenced or maintained without the approval of the Architectural Control Committee having been first obtained and appropriate governmental building permits having been issued. Any barn, shed or outbuilding shall not be used for any purpose contrary to these restrictions.

No Parcel shall be divided into parcels smaller than that allowed by applicable governmental regulations and ordinances, but in no event shall Parcels smaller than 4 acres in size, including abutting roadways, be allowed.

B. Completion Time. Construction of a residence shall be finished and completed no later than 1 year after the issuance of a building permit by the appropriate regulatory body with any approved barn or shed being completed within 6 months after issuance of the permit.

C. Minimum Sizes and Roofs. Any single family residential structure or approved barn, shed or other improvement placed upon any Parcel shall be constructed from new material or its equivalent, and as may be approved by the Committee. No reflective roofs shall be allowed. Any residential structure shall contain a minimum of 1,500 square feet of living area, exclusive of carport, garage, open porches and patio.

D. Location. No dwelling or other building improvement shall be erected or placed on any Parcel nearer than 50 feet to any boundary line, unless approved in writing by the Architectural Control Committee. It is understood that the above set-back lines and all other use restrictions contained in this Declaration are in addition to zoning and other land use regulations adopted by governmental authorities and the more restrictive must be followed.

E. Mobile Homes. Mobile homes shall not be permitted to be placed on any Parcel, permanently or temporarily, except for up to 1 year or such shorter period as required by governmental zoning ordinances, while a residence dwelling is under construction.

F. Temporary Structures. No structure of a temporary character, regardless of its nature or form, shall be placed on any Parcel or at any time used as a residence, other than as provided in E above. Nothing herein shall be deemed to prohibit Declarant from maintaining sales offices or maintenance facilities during the period of time it or the Trustee is an Owner.

G. Signs. No signs or billboards used as advertising or promotional devices, except those used in the sale of Parcels in the Subdivision by Declarant, or those permitted by the applicable sign ordinances for the sale or rental of property (not to exceed 18" x 24") by the owner(s) or his or her agent, shall be placed on any Parcel or portion thereof.

H. Public Event. No public events shall be held on any of the Parcels.

I. Livestock and Poultry. All livestock or poultry shall be maintained so as to avoid creation of a hazard or nuisance to

owners of other Parcels. No pigs, fighting chickens, nor wild animals of any kind will be permitted. Livestock or poultry shall be maintained only for the personal use and enjoyment of the residents of the Parcel. The breeding and raising of livestock or poultry for commercial purposes will not be permitted, except as an individual bona fide project of a 4-H or similar organization. All livestock and poultry shall be confined within a fenced area, and all fences for any livestock or animals shall be constructed of new material or the equivalent thereof and of such height and strength as to adequately contain any and all permitted livestock or animals. All areas maintained for livestock and poultry shall at all times be kept clean, with all manure removed on a regular basis.

J. Agriculture. The raising of agricultural crops for personal use is allowed; all commercial agricultural use is prohibited. No noxious or offensive crops or weeds are permitted. All agricultural use shall be performed in accordance with good farmer-like practices.

K. Garbage and Refuse Disposal. No Parcel shall be used or maintained as a dumping ground for rubbish or hazardous or toxic waste or materials. Trash, garbage, or other waste shall not be kept except in sanitary containers. All containers for the storage of such material shall be kept in a clean and sanitary condition. No outdoor burning of rubbish shall be permitted on any Parcel.

L. Water Supply and Individual Septic Systems. Individual water and septic systems to serve the Parcel shall be permitted on a Parcel. All individual septic systems shall be constructed to Mohave County Health Department standards. No septic system shall be installed without first obtaining a permit. No septic system shall be located closer than 100 feet to any existing well. All septic systems shall be maintained so as not to disturb surrounding neighbors and/or Property with offensive odors and/or sight.

M. Fences and Walls. Fences or walls, not exceeding 6 feet in height, may be erected up to the property lines, except the setback requirements as forth in Paragraph D above shall be applicable to walls within those areas of the Parcels fronting upon Roads.

N. Parking and Storage. Boats, boat trailers, camping trailers, campers, travel trailers, or any other recreational vehicles, sporting or camping equipment shall not be stored or parked on the front yard setbacks adjacent to Roads or on the Roads. No repairs, rebuilding or maintenance work shall be performed on any motor vehicle, travel trailer, boat, boat trailer, camper, or other piece of equipment on any Road or within the front yard setbacks and none of the above shall be allowed to be abandoned on any Parcel. Only temporary vehicle parking by Owners of the Parcels, their guests and invitees, shall be allowed on the Roads and then only if no traffic hazard is created by said parking.

O. Antennas and Generators. No antenna, satellite dish or power generator shall be installed in a manner that will disturb the surrounding neighbors and/or Property. The placement of any antenna, satellite dish or power generator must have Architectural Control Committee approval before it is placed on the Parcel. The Architectural Control Committee shall have the final decision on a dispute regarding a Parcel Owner's antenna, satellite dish or power generator and what effect it has on the surrounding neighbors and/or be a visual detriment to the Property.

P. Nuisances. No Parcel Owner shall place or maintain any animate or inanimate object upon any Parcel so as to create a nuisance to the Owners of the neighboring Parcels. No vehicles or motors of any type without mufflers shall be allowed.

6. GENERAL PROVISIONS

A. Enforcement. The covenants, conditions, and restrictions contained in this Declaration shall run with the land and shall be binding upon all persons owning, leasing, subleasing or occupying any Parcel after the date on which this instrument shall have been recorded in the office of the Recorder of Mohave County, State of Arizona. This Declaration may be enforced by the Trustee, by the Declarant, by any Owner or lessee of any Parcel, by the holder of a Bona Fide First Mortgage on any Parcel, by the Association, or any one or more of said persons acting jointly; provided, however, that any breach by reason thereof shall not defeat or adversely affect the lien of a Bona Fide First Mortgage upon any Parcel, but each and all said covenants, conditions and restrictions shall be binding upon and effective against any Owner, lessee or occupant of said Parcel whose title thereto is acquired by foreclosure, or otherwise, and provided also that the breach of any said covenants, conditions and restrictions may be enjoined, abated or remedied by appropriate proceedings, notwithstanding the lien or existence of any such Bona Fide First Mortgage. All instruments of conveyance or assignment of any interest in all or any part of the Property may refer to this instrument and shall be subject to the covenants, conditions, and restrictions, herein contained as fully as though this instrument were therein set forth in full; provided, however, that the terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether express reference is made to this instrument or not.

B. Declarant's Exemption. Nothing herein shall be construed as prohibiting Declarant from maintaining a sales office on any parcel or engaging in activities which Declarant deems appropriate to its sales program.

C. Invalidity. Invalidation of any of these covenants, conditions and restrictions by judgment, court order, or otherwise shall in no way affect the validity if any of the other provisions of this Declaration, all of which shall remain in full force and effect.

D. Amendments. This Declaration may be amended at any time by instrument executed by the Owners of at least 75% of the acreage included within this Declaration, and such amendment shall not be effective until the recording of such instrument.

E. Term. The covenants, conditions, and restrictions 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 20 years from and after the date of recording of this Declaration, from which time they shall be automatically renewed and extended for successive

periods of 10 years each, unless terminated as of the end of such initial 20 years or any successive 10 year period, within the 6 month period immediately preceding the expiration of such initial period, or any renewal period, by an instrument of termination executed and acknowledged by the Owners of at least 75% of the acreage included within this Declaration and recorded in the office of the Mohave County Recorder.

IN WITNESS WHEREOF, FIRST AMERICAN TITLE INSURANCE COMPANY, a California Corporation, as Trustee, Trust No. 7794, executed this Declaration this 27 day of May 1993.

FIRST AMERICAN TITLE INSURANCE COMPANY, a California Corporation, as Trustee, Trust No. 7794