

When Recorded Return to:
MacLean & Jacques, Ltd.
40 E. Virginia, #202
Phoenix, Arizona 85004

OFFICIAL RECORDS OF

YAVAPAI COUNTY
MARGO W. CARSON

REQUEST OF:

TRANSNATION TITLE INS CO

DATE : 06/25/96 TIME: 15:00

FEE: 14.00

BOOK 3231 PAGE 854 PAGES-014

**Declaration of
Covenants, Conditions, and Restrictions
of Crossroads Ranch Phase II THRU V**

This Declaration is made by Properties of the West, Inc., a Delaware corporation, hereinafter referred to as "Declarant."

Declarant is the owner of the following described real property situated within the County of Yavapai. State of Arizona:

Parcels 35 through 69, Crossroads Ranch Phase H, according to the Results of Survey recorded in the office of the Yavapai County Recorder in Book 35 of Land Surveys. Pages 15 through 17

Declarant hereby declares that all of the Parcels, or any portion thereof, 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 Parcels and the owners thereof their heirs, successors, grantees, and assigns.

1. Purpose of These Restrictions, Covenants, and Conditions

The purpose of these restrictions, covenants, and conditions is to assure the use of the 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 enjoyment 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 Part 5 of this Declaration.

B. The "Association" means Crossroads Ranch Phase II Property Owners Association as referred to in Part 3 of this Declaration.

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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 Crossroads Ranch Phase 11.

E. "Declarant's Special Rights" means those provisions as described in Article 8.

F. "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.

G. "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 for purchase. The foregoing, definition does not include persons or entities who hold an interest in any Parcel as security for the performance of an obligation.

H. The "Parcel" or "Parcels" means the Parcels as shown on the Results of Survey, either individually or collectively, as the case may be, and any divisions thereof as provided for herein.

I. The "Property" means the Parcels as shown on the Results of Survey, either individually or collectively, as the case may be, and any divisions thereof as provided herein.

J. The "Results of Survey" means the results of survey of record referred to above, as may hereafter be amended.

3. Property Owners Association

A. There is hereby created the Crossroads Ranch Phase 11 Property Owners Association. The purpose of the Association is to maintain the roadway easements as shown on the Results of Survey, the project entry and guard facilities, if any, and any common property that may be designed, maintain any perimeter fences (but not individual Parcel Owner fences), and act through the Architectural Control Committee in accordance with the provisions of Paragraph 5.

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 of 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 of a mortgage, or such other legal processes 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 cooperative and non-profit basis. 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 facilities referred to in Paragraph 3.A. above and shall have the right to enter upon a Parcel, if reasonably necessary, in order to accomplish its purpose.

D. The Association shall have the power to borrow and encumber its assets and, in all respects, shall have the powers necessary to carry out its purposes, whether or not specifically set forth herein, including the power to enter into contracts with third parties to perform all or part of its functions, and to hire its own employees to do so. The Association shall have the power to dedicate the roads and grant the easements to the County as shown on the Results of Survey, or additional Results of Survey as from time to time may be developed per Article 4 herein.

E. Each Parcel Owner is obligated to pay: (i) regular assessments for normal maintenance, repair, and reserves, along with the Association insurance and operating costs; and (ii) special assessments for capital improvements with such assessments to be established by the Association. Regular and special assessments, late payment penalties and charges, together with interest 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 approved by the Association. The personal obligation for 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 31. below, relating to mortgages.

F. The Association shall, on an annual basis, make a determination as to the estimated costs of the repair and maintenance of the roadways and any other common areas as shown on the Results of Survey or otherwise so designated, including any reserves necessary for future capital expenditures and maintenance. 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 on the first day of the month following the date of recordation of the deed

wherein the Owner acquired legal, beneficial, or equitable title to the Parcel. The Declarant shall not be responsible for comparable assessments on each Parcel owned by it. However, Declarant shall be responsible to provide labor, material, and/or monies in sufficient amounts, not to exceed the amount of the normal Parcel assessment for each Parcel owned by it, if necessary, in Declarant's opinion, to properly fulfill the Association's maintenance responsibilities. The assessment will vary by Parcel size and by whether the property is improved or unimproved. Improved will be defined as a property which has obtained a building permit for a dwelling and the change in assessment will occur when the permit is issued. Prorations will occur as of the first day of the calendar month following the issuance of the permit. The assessments are in dollars per acre per year and are subject to change by the Association. The initial assessments shall be as follows:

<u># Acres</u>	<u>Improved</u>	<u>Unimproved</u>
8-20	\$27	\$18
20-30	\$24	\$15
30+	\$18	\$12

THESE FIGURES ARE DOLLARS PER ACRE 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 thirty (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 and their due dates, if the Association determines by two-third's ownership vote (including Declarant) that such is necessary to meet the primary purposes of the Association. Such special assessments shall be in ratio to the regular assessments.

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 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 a 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.

The collection of assessments and late fees is vital to the proper achievement of the goals of this Declaration. To the extent consistent with these provisions, the Declarant incorporates by reference and reserves for itself and its successors and assigns for the Association, all of the powers and rights of lien

enforcement and of collection of assessments as set forth in A.R.S. § 33-1201, et seq. To the extent any provision in this Declaration is inconsistent with the Planned Communities Act, A.R.S. 5 33-1801, then that provision is hereby modified to the extent required by law so that it can be enforced.

Any assessment, installment of an assessment, or other amount owed by an Owner to the Association which is not paid within fifteen days after it is due is delinquent, shall bear interest from the date of delinquency at the rate of One Percent per month, (unless a different interest rate is established by the Board) and is subject to a late fee in an amount set by the Board.

J. The total number of votes in the Association shall be on the basis of one (1) vote per acre rounded to the nearest whole acre, provided, the Declarant shall have four (4) votes for each acre it owns rounded to the nearest whole acre. The total number of Parcels and, therefore, the total number of votes may be increased from time to time by expansion, pursuant to paragraph 4, of the project as evidenced by a Supplemental Declaration. incorporating this Declaration, executed, and recorded by Declarant. Unless otherwise specifically provided herein, all Association matters shall be determined by a majority vote. If more than one party is the Owner of a Parcel, there must be unanimous agreement among those who own an interest in the Parcel as to how to cast that Parcel's vote, 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 purpose.

L. Where a holder, unrelated to the owner, of a bona fide first mortgage of record obtains title to a 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 agreement for sale and "mortgagee" shall include the Beneficiary under a deed of trust and vendor under an agreement for sale. Such acquirer shall be responsible, as any Owner, for assessments charged subsequent to the acquisition.

Delinquent assessments, monetary penalties, and other fees and charges which are uncollectible may be reallocated and assessed on a per acre ownership basis to all Parcels. Any assessments, monetary penalties, and other fees and charges against the Parcel which accrue prior to such sale or transfer -remain the obligation of the defaulting Owner. Taxes, assessments, and charges which may become liens prior to a Mortgage relate only to the individual Parcel and not to the Property as a whole.

M. In the event the Association determines that any Parcel Owner has not complied with the provisions of this Declaration, then the Association may, at its option, give written notice to the Owner of the complained of condition. The owner shall correct same or, if not readily correctable within fifteen (15) days after notice from the Association, the owner shall submit corrective plans proposing its remedy of the condition complained of within fifteen days after notice from the Association. The Association shall approve or disapprove any plans submitted by the Owner and set forth a reasonable time for correction of the complained of condition. In the event such condition is not corrected according to the approved plans, and within the allotted time, the Association shall have the right to undertake to remedy such condition or violation. The cost thereof shall be an assessment to such Owner and enforceable by the Association as any other assessment. The Association is hereby granted the right of entry on the affected Parcel to correct the condition or violation.

4. Expansion

Declarant reserves the right to incorporate additional land within this Declaration bN specific reference thereto. Any such expansion to be included within this Declaration shall be subject to the terms and conditions of this Declaration, but may include reasonable variances.

5. Architectural and Design Control

No Parcel leveling, excavation, grading, planting, or landscaping, and no residence, 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 in writing to and approved by the Board, which may assign its duties hereunder to an 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 to approve any such plans or specifications which are not suitable or desirable in its opinion for aesthetic reasons, or not in accordance with the overall theme of Crossroads Ranch Phase II, or for 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. All plans must comply with Yavapai County requirements.

A. Membership. The Committee shall be initially composed of Peter Gooding, Robert O'Leary, and Betty Culton, their successors and assigns. Prior to the expiration or surrender of Declarant Control Period, the Declarant shall appoint and remove Committee members at its discretion. 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. The members of the Committee shall incur no liability for their acts or omissions.

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, for its disapproval or refusal to approve. In the event the Committee or its designated representative fails to approve or disapprove within thirty (30) days after the plans and specifications have been submitted to it, the plans and specifications shall be deemed to have been approved. Provided, however, the plans shall not be considered to be delivered to the Committee until they are complete in every respect and have been submitted together with every item of additional information. material samples, or more specific plan details as requested in writing by the Committee. With every request for approval of an improvement, the Owner shall include a document review fee payable to the Board, which fee is initially set at \$75.

C. Indemnity Each Owner who submits a request for approval of an improvement or alteration shall indemnify, defend, and hold the Declarant, the Association. the Committee, their officers, directors, shareholders, and Members harmless for. from, and against all costs, claims, or charges arising from the submission of the request, any action taken on the request, and from the construction of the improvements. or the implementation of an alteration.

6. General Restrictions Applicable to All Parcels

A. Land Use: No building other than one single family dwelling residence and a private garage. a guest house or servants quarters. and other outbuildings as approved by the Committee, and as are in compliance with applicable zoning, shall be erected. maintained, placed, or permitted on any Parcel. No improvements may be commenced without the appropriate building permits having been first obtained. Any cmest house, which may include a kitchen, or servants quarters, shall be for the use of bona fide guests or servants, as the case may be, or the occupants of the main residence. or members of such occupants family, and shall not be rented or leased separate from the main residence.

No manufacturing or commercial enterprise shall be maintained or conducted upon. in front of. or in connection with any Parcel. However, home offices. and other appropriate, casual, and non intrusive business uses may be permitted upon the specific written consent of the Committee.

No Parcel shall be divided smaller than that allowed by applicable governmental regulations and ordinances but in no event shall a Parcel be created which

is smaller than 8 acres in size. Further, no original Parcel shall be divided into more than three Parcels. No Parcel may be divided without first obtaining the approval of the Declarant and the Architectural Control Committee as to its size, shape, and plan for access to the Parcel created. The Declarant may assign its right to approve Parcel divisions to the Architectural Control Committee.

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 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 primary residential structure shall contain a minimum of 1,500 square feet of living area, exclusive of carport, garage, open porches, and patio. The minimum size of guest houses shall be as approved by the Committee.

D. Location. No dwelling or other building improvement shall be erected or placed on any Parcel nearer than 100 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.

F. Temporary Structures. No structure of a temporary character, motor home, recreational vehicle, or travel trailer, regardless of its nature or form, shall be used as a residence at any time.

G. Roads: Maintenance of the roads as designated on the Results of Survey, whether as separate Parcels or easements, shall be the sole responsibility of the Association. The Declarant or the Association shall have the right to convey any such easements and/or roadways to the County.

H. Signs. Signs (including, but not limited to, For Sale or For Rent signs) are not permitted on the Property without the prior written approval of the Board; provided, however, that an unlighted, neatly painted Sale or For Rent sign not to exceed 2' by 2' in size may be placed on the Parcel after the expiration of the Period of Declarant Control. None of the sign restrictions in the Declaration apply to the Declarant for the purpose of sellima the Parcels pursuant to a Public Report issued by the State of Arizona.

1. Public Events. No public events shall be held on any Parcel.

J. Livestock, Poultry and Domestic Animals. Horses, cattle, and domestic animals are allowed to be kept on the Property in reasonable numbers. The casual breeding of animals for profit is permitted. The commercial raising of livestock is not permitted. The Architectural Control Committee, in its sole discretion, shall decide *which* uses are casual and which are commercial and, may in its exclusive discretion, make exception to this provision. A written opinion can be obtained from the Committee as to any proposed use which may be questionable. All livestock, poultry, and domestic animals shall be maintained so as to avoid creation of a hazard or nuisance to owners of other Parcels. Dogs shall be kept within fenced areas or held on leashes. No pigs, ostriches, fighting chickens, pit bull dogs, or wild animals of any kind are permitted. 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 and be of such height and strength as to adequately contain all permitted livestock or animals. All areas maintained for livestock and poultry shall at all times be kept clean and odor free, with all manure removed on a regular basis.

K. Agriculture and Mineral Exploration. 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.

No portion of the Property may be used to explore for or to remove any oil or other hydrocarbons, gold, silver, minerals of any kind, gravel, earth, or other earth substance of any kind.

L. 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. The regular removal of garbage and refuse is the Parcel Owner's responsibility.

M. Water Supply and Individual Sewage Systems. Individual sewage disposal systems to serve the Parcel shall be permitted on the Parcel. All individual sewage systems shall be constructed to Yavapai County Health Department standards. No individual sewage disposal system shall be installed within 100 feet of any property line. No sewage disposal system shall be installed without first obtaining the Health Department Sewage Disposal Permit. All sewage systems shall be kept as not to disturb surrounding neighbors and Property with offensive odors and sights, and located so as to minimize grading and disturbance to existing vegetation. Individual domestic wells must be installed in compliance with the rules and regulations of the Arizona Department of Water Resources and local regulatory agencies.

N. Protective Screening. All clotheslines, equipment, propane tanks, service yards, wood piles, and storage areas shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring Parcels or streets. No laundering will be permitted except inside an approved structure with approved plumbing.

O. Parking, Storage, and Repairs. Boats, boat trailers, camping trailers, campers, travel trailers, or any other recreational vehicles, sporting or camping equipment shall not be stored or parked within 100 feet of the boundary lines of the Parcel, nor adjacent to roads nor 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 outside of a garage or a screened area on any Parcel and under no condition on any road. None of the above shall be allowed to be abandoned on any Parcel. No parking shall be allowed on any road.

P. Antennas and Generators. No antenna, satellite dish, or power generators 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.

Q. 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. No all terrain type vehicles or off road motorcycles shall be operated, except within the confine of the Owner's individual Parcel. No firearms may be discharged in any area of the Property.

R. Leases. An Owner may not (i) lease less than his entire Parcel; (ii) lease for a period of less than thirty days; (iii) enter into an oral lease; or (iv) exempt the tenant from the terms of this Declaration. Failure by the tenant (or sub-tenant) to comply with this Declaration is a default under the lease. Upon leasing his Parcel, an Owner shall promptly notify the Association of the commencement date and termination date of the lease and the names and telephone numbers of each person who will be occupying the Parcel.

7. Special Reservation of Rights Concerning Grazing Rights and Fees and Utility Companies.

The Declarant hereby expressly reserves these rights:

Declarant excepts and reserves to itself, its successors and assigns, an easement and right for grazing horses and other livestock on all the Property, provided that this easement

does not affect any, Parcel sold to an Owner after and while the Owner. at the Owner's sole expense, has erected sufficient fencing to keep livestock off of, (or restrained within) the Parcel. All grazing fees received are the exclusive property of the Declarant (and its assigns). Parcel Owners have no right to all or any part of these grazing fees.

Declarant excepts and reserves to itself, its successors and assigns, the exclusive rights but not the obligations to establish and operate a water company, a community or municipal sewer system, a cable television company, a telephone company and any other common utility system and, including, but not limited to, the rights to enter into any part of the Property from time to time to install, maintain, replace and repair all water or sewer or lines, pumps, tanks, electric or other utility connections reasonably related to systems of this type for the delivery of water, sewer, television, telephone, other electric signals or other utilities. The Declarant and its successors or assigns reserve the right to execute and deliver any additional documents or grants of easement or license reasonably required to implement the general purpose of these reservations.

S. Declarant's Special Rights

A. Reservation of rights. In making this Declaration, the Declarant specifically reserves to itself and its successors and assigns these powers and rights (Development Rights) for the Period of Declarant Control.

B. Period of Declarant Control .. Period of Declarant Control means the time period commencing on the date this Declaration is recorded and ending on the later of- (i) Ninety days after the conveyance of eighty-five percent of the Parcels to Owners other than the Declarant; or (ii) Three years after Declarant or its successor has ceased to offer Parcels for sale in the ordinary course of business in Phase II or in any related phase of Crossroads Ranch or in any contiguous or associated real property, including, but not limited to, the real property previously known as the Matli Ranch. Provided, however, that Declarant or its successor may declare an earlier termination to be effective on the date of recording in the Yavapai County Recorder's Office of a Notice of Relinquishment of all or part of the Declarant's Rights.

C. Development Rights. Development Rights means the right of Declarant or its successor or assign, subject to all applicable government laws and regulations, during the Period of Declarant Control to:

- i. Add or remove Property from this Declaration;
- ii. Amend the Results of Survey and legal description of the Property to withdraw or add additional real estate to the defined Property, or redefine the Property and as otherwise provided below;
- iii. Make the Property part of a larger or smaller planned community;
- iv. Provide alternate permanent access to the property and in its sole discretion to abandon or reconvey existing access easements to the property;

v. To dedicate any ingress, egress, public utilities roadway, or drainage easement to Yavapai County;

vi. Maintain sales offices, management offices, models, and signs advertising the Property, conduct tours of the Property, and conduct any event or promotion desired by Declarant in its exclusive discretion to assist its sales activities;

vii. Appoint or remove any officer of the Association or any member of the Board, or any committee of the Board including the Architectural Control Committee during the Period of Declarant Control; and

viii. In its absolute discretion waive any restriction, or reject any proposed improvement or alteration for any reason, including but not limited to aesthetics or potential negative impact on its ability to sell its remaining Parcels.

9. 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 Yavapai County, State of Arizona. This Declaration may be enforced 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, and shall be governed by laws of the State of Arizona.

B. Declarant's Exemption. Nothing herein shall be construed as prohibiting Declarant from maintaining a sales office on any Parcel or engaging in sales activities which Declarant deems appropriate in its sole and exclusive discretion.

C. Invalidity Invalidation of any of these covenants, conditions, or restrictions by judgment, court order, or otherwise shall in no way affect the validity of 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 during the period ending ten years immediately following the date of the recording of this Declaration only by instrument executed by the Owners of at least seventy percent of the Parcels, included or incorporated within this Declaration, and such amendment shall not be effective until the recording of such instrument. Thereafter, this Declaration may be amended by instrument executed by the owners of at least two-thirds of the Parcels, included or incorporated 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 twenty 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 ten years each, unless terminated as of the end of such initial twenty years or any successive ten years within the six month period immediately preceding the expiration of such initial period, or any renewal period, by all instrument of termination executed and acknowledged by the Owners of at least two-thirds of the Parcels, included or incorporated within this Declaration. and recorded in the office of the Yavapai County Recorder.

F. Notices. All notices, demands, statements or other communications required to be given to or served on a Owner under this Declaration shall be in writing and are deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, return receipt requested, addressed to the Owner, at the address placed on file by the Owner with the Association; or, if no address is on file, then at the address listed in the records of the Yavapai County Assessor for the Owner of that Parcel. An Owner may change his address on file with the Association for receipt of notices by delivering a written notice of change of address to the Association pursuant to this Section. A notice given by mail, whether regular, certified, or registered, shall be deemed to have been received by the person to whom the notice was addressed on the earlier of the date the notice is actually received or three days after the notice is mailed. If a Parcel is owned by more than one person, notice to one of the Owners shall constitute notice to all Owners of the same Parcel. Each Owner shall file his correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

During the Period of Declarant Control, a copy of all notices intended for the Declarant or the Association shall be sent to these addresses and to any other address specified in a Request for Notice subsequently recorded in the County Recorder's Office in Yavapai County, Arizona:

Bluegreen Corporation
Attn: Patrick Rondeau, Esq.
5295 Town Center Road
Boca Raton, Florida 33486

Properties of the West, Inc.
Attn: Peter M. Gooding
7950 East Redfield Road
Suite 210
Scottsdale, Arizona 85260

Raoul Jacques
MacLean & Jacques
40 East Virgftuia'
Suite 202
Phoenix, AZ 85004

The Declarant signed this Declaration of Covenants, Conditions, and Restrictions to be legally binding as of the date below.

DECLARANT:

Properties of the West, Inc.,
a Delaware corporation

BY PETER M. GOODING

its Exec Vice President

Date 6/24/96

STATE OF ARIZONA

)ss.

County of Maricopa

Subscribed and sworn to before me this 24th day of June 1996, by
Peter M. Gooding the Exec Vice Pres of Properties of the West,
Inc. who swore or affirmed that he was duly authorized to execute and deliver this Declaration on behalf of the
Company as its authorized officer and agent.

Notary Public

My Commission Expires: Jan 12, 1997

SEAL