

STAGE COACH TRAILS

at Santa Fe Ranch



**DECLARATIONS OF COVENANTS, CONDITIONS AND
RESTRICTIONS AFFECTING REAL PROPERTY**

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OFFICIAL RECORDS OF MOHAVE COUNTY, AZ
JOAN MC CALL, MOHAVE COUNTY RECORDER
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MOHAVE ENGINEERING, INC.

DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING REAL PROPERTY

FIRST AMERICAN TITLE INSURANCE COMPANY, a California Corporation, as Trustee under Trust No. 8307, is the owner of a certain tract of land in Mohave County, Arizona described in Exhibit "A" attached hereto, "Property". Pursuant to instructions from its beneficiary, Legend Land, L.L.C., an Arizona limited liability company, "Developer", Trustee, for the purpose of preserving and protecting the value of the Property, its natural beauty, and its desirability for use as a quality residential, recreational and resort area, and in furtherance of a common plan, does hereby subject the Property to and declare the following covenants, conditions and restrictions:

1. Term. These restrictions shall run with the land and shall be binding upon all owners and persons claiming under them for a period of twenty (20) years following the date of this instrument, after which time the same shall be extended for successive periods of ten (10) years each, unless an instrument of cancellation signed by the then owners of not less than sixty six and 2/3's percent (66 2/3%) of the Property has been recorded.

2. Definitions.

A. "Mobile Home" shall mean any dwelling that is built on a chassis or any dwelling a material portion of the shell of which has been prefabricated at another location or any other dwelling customarily referred to as a mobile home;

B. "Result of Survey Parcel (s)" shall mean any parcel of land which Developer has divided or hereinafter divides the Property and as shown on a Result of Survey. The term "Divided Parcel" shall also mean parcels which are subsequently divided in accordance with the provisions hereof and of applicable law. The term "Parcel (s)" alone shall include both Result of Survey Parcel (s) and Divided Parcel (s).

C. "Result of Survey (s)" means the Result of Survey of record as referred to above, as many hereafter be amended, together with any future Results of Survey by virtue of expansion as provided for in paragraph 4.

D. "Second Hand Business" shall mean the business of buying and selling previously used equipment and other personal property.

3. Property Owners Association

A. There is hereby created the Santa Fe Ranch Property Owners Association. The purpose of the Association is to: maintain the roadways, as constructed by the Developer and recorded on a separate roadway map, at least once each calendar year, and maintain any common use areas or easements that may be designated as such.

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 belong with 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 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 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 set forth above, the Association shall provide necessary and appropriate action for the maintenance, repair, replacement and management of the properties 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 grand the easements to the County as shown on the Result of Survey.
- E. Each Parcel owner is obligated to pay: (i) regular assessments for normal maintenance and repair and reserves, 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 3 L below, relating to mortgagees.
- F. The Association shall, on an annual basis, make a determination as to the estimated costs of the repair and maintenance of the roadway and any other designated common use areas as shown on the Result of Survey or otherwise so designated, including any reserves necessary for future capital expenditures and maintenance. Assessment shall be charged to each owner on a uniform per Parcel basis, regardless of size as shown on the Result of Survey and including any Divided Parcel. 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 or purchase contract wherein the owner acquired legal, beneficial, or equitable title to the Parcel. The Developer shall not be responsible for comparable assessments on each Parcel owned by it. However, Developer 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 Developer's opinion, to properly fulfill the Association's maintenance responsibilities. Regular assessments shall be set by the Association on an annual calendar year basis. The initial regular assessment shall be Ninety Five Dollars (\$95.00) per year per Parcel whether a Result of Survey Parcel or a Divided Parcel. The Parcel owner acquiring his or her interest from Developer 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 beginning 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. The Association shall not increase the regular assessment beyond ten percent (10%) per year unless approved by a majority vote of the Association membership.
- H. In addition to the regular assessment as set forth above, the Association may set special assessments if the Association determines by two-thirds 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 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.

- J. The total number of votes in the Association shall be on the basis of one (1) vote per Parcel whether a Result of Survey Parcel or a Divided Parcel, provided, the Developer shall have ten (10) votes for each Parcel it owns. 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 Developer. Unless otherwise specifically provided herein, all Association matter 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 establish reasonable regulations relating to the matters within its purpose.
- 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 "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.
- M. In the event the Association determine 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 conditions complained of. The owner shall correct same or, if not readily correctable within thirty (30) days after notice from the Association, the owner shall submit corrective plans proposing its remedy to 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 condition complained of. In the event such condition is not corrected according to the approved plans, within the allotted time, the Association 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 as if any other unpaid assessment. The Association is hereby granted the right of entry on the affected Parcel to so correct the condition or violation complained of.
4. Expansion. Developer 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 the terms and conditions of this Declaration, but may include reasonable variances. Upon any such expansion the added property shall be subject to all provisions of this Declaration. The number of votes and assessments shall be increased upon incorporation of the additional Result of Survey(s).
5. Uses. No Parcel shall be used except in accordance with Mohave County zoning and building permit requirements, and in accordance with this Declaration.
6. Restrictions on Placement of Improvements on a Parcel. No structures or improvements (other than acceptable fencing) shall be located upon a Parcel within 150 feet of any Result of Survey Parcel (s) boundary or existing roadway as shown on the Result of Survey (s), except for a property entrance and address sign to identify the property and occupants, as set forth in paragraph 8 below, which must comply with applicable governmental regulations and may not be placed on an easement. Interior lines of Divided Parcels are not subject to this setback requirement.

7. Fences. No fence shall be placed within any ingress, egress, or trail easements. All fences are to be made of rock, masonry, wood, barbed wire or chain link material, and be maintained by the Parcel owner.
8. Signs. Signs (including, but not limited to For sale or For rent signs) are not permitted on the Parcel, except for address signs that identify the address and/or the owner of the Parcel, which signs will not exceed 4 sq. ft. Notwithstanding, eight (8) years from the date of execution of these Restrictions For sale or For Rent signs will be permitted so long as they are neatly painted and maintained and do not exceed 6 sq. ft.. None of the sign restrictions in this Declaration apply to the Developer or his assigns or successors, for the purpose of selling the Parcels, location, directional or street signs.
9. Limitation on Resale, Divisions. No Result of Survey Parcel (s) may be divided or resold for a period of eighteen (18) months from the purchase date by owner from Developer.
10. Trash. No Parcel may be used for temporary or permanent storage of rubbish or trash (collectively, garbage). No garbage may be kept on any Parcel except in covered containers and screen from view of adjacent properties.
11. Junk Yards, Second-Hand Business, Material Storage. No Junk Yards or Second-hand businesses shall be conducted on any Parcel. No storage of trucks, cars, buses, equipment or building materials shall be stored on any parcel unless enclosed in a proper structure to not be visible from an adjoining Parcel or passing on the roadway.
12. Hazardous Materials. No Hazardous or toxic materials may be kept, used or stored on any Parcel.
13. Nuisances, Noxious or Offensive Activity. No nuisance or noxious or offensive activity shall be carried on upon or from any Parcel. The unnecessary, prolonged or indiscriminate creation of such things as noise, dust, fumes or odors is prohibited, including but not limited to gunfire, road racing, and loud music.
14. Sanitary Facilities. Toilets or other sanitary facilities shall be water-flush devices located within a residence. Waste water shall be discharged into a county or other appropriate governmental agency approved septic disposal system located on the Parcel.
15. Livestock. No swine shall be raised, bred or kept on any Parcel. No chickens or ducks may be raised, bred or kept for commercial purposes on any parcel. A Parcel may be used for ranching, including the use and keeping of a reasonable number of horses and cattle, provided the parcel has been adequately fenced with a minimum five strand or better fence so as to prevent the movement of livestock from a Parcel. Under no circumstance shall a stockyard, dairy, or kennel be permitted on any Parcel.
16. Motor Vehicles, Machinery & Equipment. No vehicle may be stored, maintained, constructed, reconstructed or repaired on any part of any Parcel except when done inside a shed, garage or screening sot that it is not visible from other Parcels. Inoperable or unlicensed vehicles must be stored or parked inside a structure so as not to be visible from adjoining Parcels.

All Vehicles or motors must be operated with a muffler. All terrain vehicles, ATC's, go-carts, motorcycles, mini-bikes, motorized scooters and the like may be operated only within the owner's Parcel and are not allowed on the roadway, or easements unless they are licensed, driven by a licensed driver, and operated in a way which does not disturb or annoy the adjoining owners.

17. Parcel Maintenance. Each Parcel, including landscaping and improvements thereon, must be maintained and kept clean at all times by the owner.

18. Mobile Homes. No Mobile Homes older than ten (10) years from the date of manufacture to the date of installation, or that otherwise do not comply with all rules and regulations as may be imposed by County and State jurisdictions for manufacturing and installation of electrical and sanitary facilities, will be permitted to be placed on a Parcel. All Mobile Homes must be skirted with wheels removed, or within an excavation in the ground so that the frame of the Mobile Home is not exposed. The property around the Mobile Homes shall be graded to cause water to flow away from the Mobile Home, and the finished floor level shall be at least one (1) foot above the general plane of the terrain.
19. Travel Trailers, Recreation Vehicles. No travel trailer or recreational vehicle may be used as a permanent residence. One (1) travel trailer or recreational vehicle may be used for temporary residential use only if the use extends for not more than three (3) consecutive months, nor more than a total of six (6) months in any calendar year, with the exception that one (1) travel trailer or recreational vehicle may be used as a temporary residence for up to one (1) year if the occupant has been issued a building permit by Mohave County and is diligently proceeding to construct a permanent residence upon the Parcel.
20. Land Clearing. There shall be no clearing of the vegetation on any Parcel, except underbrush, or grading, except to the extent necessary to accommodate access, parking areas, and improvements.
21. Enforcement. The owner of any Parcel and the Property Owners Association shall have the right, but not the obligation, to enforce, by any proceeding at law or in equity, all covenants, conditions and restrictions, now or hereafter imposed by the provisions of the Declaration. Failure by any owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of right to do so thereafter.
22. Amendments. This Declaration may be amended at any time by an instrument which has been signed by not less than sixty-six and $\frac{2}{3}$'s ($66\frac{2}{3}\%$) of the total land area comprising the Property; provided, however that so long as the Developer owns 6 or more Parcels, no amendment to this Declaration shall be effective unless signed by the Developer, its assigns or successors, which signature may be withheld at its sole discretion. Developer expressly reserves the right to grant any reasonable exceptions to the restrictions on placement of improvements specified in paragraph 6.
23. Developer's Special Rights. In making this Declaration, the Developer reserves to itself and its successors and assigns the below powers and rights ("Developer Rights") so long as the Developer owns a Parcel:
 - a. Amend the Result of Survey (s) and legal description of the Property and to withdraw or add additional real estate to the Property;
 - b. Create easements;
 - c. Divide Parcels;
 - d. Exercise all expansion rights provided for in paragraph 4;
 - e. Maintain sales offices, management offices, models and signs advertising the Property and directing prospects to the Property, conduct tours of the Property, and conduct any event or promotion desired by the Developer in its exclusive discretion to assist its sales activities;
 - f. Grant any reasonable requests for waivers of any of the provisions of this Declaration, at its sole discretion.