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Yavapai County, Arizona
Ana Masman-Trujillo, Recorder
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Sedona, AZ 86336

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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR EAGLE ROCK SUBDIVISION**

These Amended and Restated Declaration of Covenants, Conditions and Restrictions for Eagle Rock Subdivision according to the Plat of record in Book 49 of Maps, page 77, records of Yavapai County, Arizona, hereby supersede and replace those certain Declaration of Covenants, Conditions and Restrictions for Eagle Rock Subdivision that were recorded in Book 4123 at page 622, Official Records of Yavapai County, Arizona.

This Declaration is entered into by (i) Sunburst Ventures Limited Liability Company, an Arizona limited liability company, as Declarant, who is the owner of all Parcels within Eagle Rock Subdivision.

It is hereby declared that all of the Property, or any portion thereof, referred to 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 Property, 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 Property for attractive residential purposes only (as set forth herein), and securing to each Parcel owner the full benefit and enjoyment of his or her Parcel and residence in furtherance of a common plan.

2. DEFINITIONS

As used herein, the following terms have the following meanings:

- A. "Architectural Review Committee" means the committee provided for in Part 4 of This Declaration.
- B. "Association" means Eagle Rock Subdivision Property Owners Association, Inc. as referred to in Part 3 of This Declaration.
- C. "Bons 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. "Building Envelopes" means those numbered areas shown on the recorded subdivision plat of Eagle Rock Subdivision numbered 1 through 26.
- E. "Common Area" shall mean Tract O and other areas which the Association has an easement or otherwise a designated interest or responsibility, and all land except the designated Building Envelopes (lots) therein, and except roadways dedicated to the public, and except Common Driveways, as shown on the respective subdivision Plat.
- F. "Declarant" means Sunburst Ventures Limited Liability Company, or its designated in writing successor.
- G. "This Declaration" means this Declaration of Covenants, Conditions and Restriction.
- H. "Lot" or "Lots" means "Parcel" or "Parcels".
- I. "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.
- J. "Parcel" or "Parcels" means the building Envelopes as shown on said Plat.
- K. "Plat" means the subdivision map of Eagle Rock Subdivision as may hereafter be amended, as prepared by Declarant and recorded in the Office of the Yavapai County, Arizona Recorder.
- L. "Property" means the real property referred to herein, which is inclusive of all Tracts, Building Envelopes/Lots or any part thereof.

3. PROPERTY OWNERS ASSOCIATION

A. The name of the Association will be Eagle Rock Subdivision Property Owners Association. The purpose of the Association is to: (i) maintain and improve the Common Area, (ii) act as the Development Committee; all in accordance with the provisions of This Declaration.

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, agrees to be bound by such reasonable rules and regulations as may from time to time be established by the Association, and further each and every Parcel Owner in accepting a deed or contract for any Parcel, automatically becomes a member of the Association. Membership shall be appurtenant and may not be separated from ownership of the Parcel. The Association shall be operated and conducted on a strictly cooperative and non-profit basis. Each Owner is a member of the Association, with voting rights as set forth in This Declaration. Each Owner of a Parcel shall be personally responsible for his or her share of Assessments imposed by the Association, which if not paid when due, shall also constitute a lien of the Parcel, whose Owners(s) have failed to comply with the respective obligations under This Declaration. Upon a sale or change of address by an Owner, the Owner shall promptly advise the Association of the name of the new owner and his address or any change of address of the existing Owner in order to avoid a continuing responsibility for the assessments and/or late charges in conjunction therewith.

C. (i) The Association shall provide such necessary and appropriate action for the maintenance, repair, replacement and management of the Common Area.

(ii) 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, including those powers set forth in its Articles of Incorporation and Bylaws, and the corporate laws of the State of Arizona.

(iii) The Association shall have the power to enter into contracts with third parties to perform any or all its duties. Provided, if such third party is a related entity to the Declarant or any other Owner, any such contract shall be at competitive rates.

(iv) The Association shall have a limited right of entry in and upon any Parcel for purposes of taking whatever corrective action may be deemed necessary or proper by the Association acting within the scope of its purpose and in enforcement of This Declaration. If such action would require, in the opinion of the Association, the entry shall be at times reasonably convenient to the Owner whose improvements are to be entered. The Association shall be entitled to recover its costs incurred plus interest at the legal rate thereon and such costs and interest shall be deemed to be an assessment to such owner and enforceable by the Association as if any other unpaid assessment. In the event of an emergency, the Association shall have the right to enter without such prior notice. Nothing herein shall be deemed to create an obligation upon the Association to perform any repairs, servicing or alterations within the confines of any Parcel or improvement thereon or the access serving any Parcel.

(v) In the event the Association determines that any portion of the Common Area is in need of maintenance or restoration due to an act or omission of an Owner, then the Association shall give written notice to the Owner of the conditions complained of. The Owner shall submit corrective plans proposing its remedy to the condition complained of within 15 days after notice from the Association. The Association shall approve or disapprove the plans submitted by the Owner and set forth a reasonable time limit for completion of the corrective work. In the event such work is not completed according to approved plans, within the allotted time, the Association shall 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 shall have the same right of entry as defined in Subparagraph (iv) above. The Association shall have the sole right to determine whether any such costs expended by the Association are related to general maintenance or maintenance or restoration necessitated by an Owner, the determination of same shall be binding and final as to the Owner.

4. COVENANTS FOR ASSESSMENTS

A. Each Parcel Owner of any Parcel, by acceptance of a deed or contract therefore, whether or not it shall be so expressed in such deed or contract is deemed to covenant and agrees to pay: (i) Regular Assessments and charges, and (ii) Special Assessments for capital improvements and extra ordinary repairs or maintenance. The Regular and Special Assessments, late payment penalties and charges, if any, together with interest, costs and reasonable attorneys' fees shall be a lien on the Parcel. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Parcel at the time when the assessment was levied. The personal obligation for delinquent Assessments shall not pass to its successors

in title unless expressly assumed by such successors; however, the obligation to pay same shall be a lien on the Parcel, excepting for provision of Paragraph H of this Part 4.

B. The Association shall, on an annual basis, make a determination as to the estimated costs of the repair, maintenance, and restoration of the Common Areas, including any reserves necessary for future capital expenditures and extra ordinary maintenance. Assessments, whether Regular or Special, shall be charged to each Owner, except Declarant, on a uniform per Parcel basis, with each Parcel not improved with a residence paying a proportionate share based on the amount of the Regular Assessment. A Parcel is deemed improved with a residence when a Certificate of Occupancy or equivalent certificate allowing use of the residence has been issued by the City of Sedona. The applicable rate of assessment shall be prorated to date of the Certificate of Occupancy. The Regular Assessment under This Declaration, commencing with the calendar year 2004 will be as determined annually by the Board of Directors. 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 unimproved Parcel assessment for each Parcel owned by it, if necessary, in Declarant's opinion, to properly fulfill the Association's maintenance responsibilities.

C. Regular assessments shall be set by the Association on an annual calendar year basis. The Association shall fix the amount of the Regular Assessment against each Parcel at least 30 days in advance of each Regular Assessment period. Written notice of the Assessment shall be sent to every Owner subject thereto. The assessments may be collected on a monthly, quarterly or annual basis, or any combination of same, as determined by the Association.

D. The Regular Assessments shall commence as to all Parcels on the first day of the month following the date of the recordation of the first conveyance to an Owner other than Declarant. The first Regular Assessment shall be adjusted according to the number of months remaining in the calendar year whether a fiscal or calendar year.

E. In addition to the Regular Assessments set forth in This Declaration, the Association may set Special Assessments in addition to the Regular Assessments, if the Association determines by a two-thirds membership vote, that such is necessary to meet the primary purposes of the Association.

F. Failure to pay an Assessment with 30 days of when due shall subject the Owner to payment of a late fee of 2% of the amount due for each month or part thereof the payment remains delinquent.

G. All sums assessed by the Association chargeable to any 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. Such lien may be foreclosed by the Association, acting on behalf of the Owners of the Parcels, in a like manner as a foreclosure of a real property deed of trust. During any such period of foreclosure, the Parcel Owner shall be required to pay the assessment charged for the Parcel, and the Association shall be entitled to the appointment of a receiver to collect the same. The Association, acting on behalf of the Owners of the Parcels, shall have power to bid on the Parcel at foreclosure sale, bring action for a deficiency, and to acquire and hold, lease, mortgage 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 the same.

H. Where a first Mortgage of record or other purchaser of a Parcel obtains title to the Parcel as a result of foreclosure, whether voluntary or involuntary, such acquirer of title, its successors and assigns, shall not be liable for the share of the expenses of the common expenses or 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 and "vendor" under an agreement for sale. Such acquirer shall be responsible, as any Owner, for assessments charged subsequent to the acquisition.

5. VOTING RIGHTS AND REGULATIONS

A. The total number of votes in the Association shall be on the basis of one (1) vote per Parcel, provided, the Declarant shall have seven (7) votes for each Parcel it owns. 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.

B. 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.

C. Transfer of Title to Tract "O". At such time as one hundred percent (100%) of the lots have been sold, ownership of Tract "O" will be transferred to the Property Owners Association.

D. Until such time as Tract "O" has been transferred to the Property Owners Association, these CC&R's cannot be amended, without one hundred percent (100%) approval by vote of the owners.

6. **DEVELOPMENT PLAN REVIEW**

A. There shall be an Architectural Review Committee consisting of three (3) persons. The members of the Architectural Review Committee shall be appointed by the Board of Directors of the Association to serve at the will of the Board of Directors.

B. No improvements of any kind, including but not limited to mailboxes, shall be initiated, erected, constructed, placed, altered, maintained or permitted on any Parcel without the prior written approval of the Architectural Review Committee in accordance with the procedure herein provided. In granting approval, the Architectural Review Committee may impose such conditions and stipulations as it may deem appropriate including, without limitation, requirements concerning duration of construction activities, burial and camouflage of utility lines, restoration of adjacent streets, placement of curb cuts and driveways across the Common Area, location of utility connections, restoration of terrain, restrictions against interference with drainage, provisions for the retention of drainage, and the like. No material changes or deviations in or from the plans as approved shall be made without the prior written approval of the Architectural Review Committee. All decisions of the Architectural Review Committee shall be final and no Owner or any other party shall have any recourse or remedy against the Architectural Review Committee. ←

C. The Architectural Review Committee, with the approval of the Association, shall create and amend from time to time, guidelines and standards, which are to be complied with by all Owners. The Architectural Review Committee shall have the right to hire agents to review any plans and specifications submitted, and charge the cost of such review to the Owner submitting the plans and specifications.

D. Two sets of plans shall be submitted to the Architectural Review Committee for all approval phases (i.e., master site plan, preliminary plans, working drawings, revisions and additions). One set will be returned to the Owner with comments and the other set will be retained by the Architectural Review Committee for permanent reference. Any additions or alterations to any portion of approved plans shall be subject to correction at any time unapproved additions or alterations are observed. In order to defray its expenses, the Architectural Review Committee may require a processing fee in such amount as it may determine for

each approval phase. All plans must comply with municipal authority requirements.

(i) When a Parcel is to be developed in stages, the submission of a master site plan shall be required. The master site plan shall be reviewed and approved before preliminary plans are submitted. The master site plan shall include, without limitation, the following information: Parcel number; a depiction of the total building complex and what roof line; driveway and parking; swimming pool and landscape features; grading, drainage and utilities; description or sketches indicating architectural character; elevations and materials; the concept of proposed conceptual landscape plan.

(ii) All development approvals shall include preliminary plans either as the first step of the approval process when a master site plan is not required, or as the second step of the approval process following master site plan approval. The preliminary plans shall include, without limitation, the following information: Parcel number; configuration of buildings and roof lines; building square footage and setbacks; driveways and parking layout; indication of existing topography; finished grades, site drainage and utility connections; building elevations showing materials, colors, textures, shapes and finishes for all exterior aspects; location and configuration of all structures, walks, driveways, fences and exterior illumination; and the landscaping plan, including elevation changes, sprinkler systems, vegetation and ground cover.

(iii) Following approval of the preliminary plans, working drawings shall be submitted in accordance with the approved preliminary plans and shall include, without limitation, the following information: construction details and specifications as required by the appropriate governmental body having jurisdiction and such other information as the Architectural Review Committee may require.

(iv) Included within the requisite plans shall be a landscaping plan including sufficient information to confirm that the landscaping required by Subparagraph (i) above is to be implemented.

E. Approval of plans shall be based upon adequacy of site dimensions, conformity and harmony of exterior design and location with neighboring structures and sites, relation of finished grades and elevations to neighboring sites and conformity to the specific and general provisions and intent of this Declaration. The Architectural Review committee shall have the right to take into consideration, without limitation, the color, texture and materials, the inherent aspects of the Parcel, the harmony thereof with the surroundings and the impact upon the Property as a whole.

F. Without obligation to approve or disapprove prior or subsequent modifications, whether similar or dissimilar, the Architectural Review Committee may permit such variances or exceptions to the requirements of This Declaration with respect to any proposed improvements as the Architectural Review Committee deems appropriate in its sole discretion. The granting or denial of a variance shall not constitute a precedent for the granting or denial of any prior or subsequent variance.

G. The Architectural Review Committee may reject plans as not sufficiently complete or otherwise inadequate, either in whole or in part, may reject plans as partially or completely unacceptable, may approve plans conditionally or unconditionally, may approve a portion of the plans and reject the balance and may otherwise proceed with respect to the consideration of plans in such manner as the Architectural Review Committee may determine in its sole discretion.

H. In developing the Property, constructing improvements, including homes, and marketing Parcels, the Developer shall not be required to obtain any approval by the Architectural Review Committee. All improvements which are constructed or installed by Developer shall be deemed approved.

I. The members of the Architectural Review Committee shall not incur liability by virtue of their good faith acts or omissions, and members shall only be responsible for willful misconduct and bad faith acts or omissions.

J. As a prerequisite to the approval of any plans or specifications for the construction of any improvements to any Parcel, the Architectural Review Committee shall require that a deposit, initially \$5,000, as set by the Board of Directors of the Association, accompany any such plans and/or specifications submitted for approval. The deposit shall be maintained by the Association and used by the Association, as necessary, through to the completion of the construction so approved, for purposes of assuring the preservation of the Common Areas as defined in the Declaration, and which term for purposes of this paragraph is inclusive of roadways, common driveways and utilities, as well as other matters as set forth in rules as from time to time approved by the Board, as deemed by the Board to be appropriate for the preservation and well being of the Property. This deposit, to the extent not used to repair damage caused by the construction, shall be returned to the Owner within 60 days of notice of the issuance of the Certificate of Occupancy (or comparable approval from the city of Sedona that the residence is ready for occupancy).

K. Fire Sprinklers. In the event gates are installed and roadways become private (see Section 7.E.v), all homes constructed within the subdivision, by Fire Department requirements, must have fire sprinklers installed.

7. **GENERAL RESTRICTIONS APPLICABLE TO ALL PARCELS**

A. Land Use. As provided below, no building other than one single family dwelling residence for single family residential use and a private garage providing space for not less than two cars, and a guest house and other outbuildings as approved by the Architectural Review Committee, and as are in compliance with applicable zoning and City of Sedona codes, shall be erected, maintained, placed or permitted on any Parcel. All improvements, except for the driveway from the adjacent street, unless otherwise approved by the Architectural Review Committee, shall be located within the Building Envelope. No improvements may be commenced without the appropriate building permits having been first obtained. A guest house (or other structure or improvements) may not be completed prior to the completion of the single family residential structure. Any guest house, which may include a kitchen, shall be for the use of bona fide guests or domestic help, 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, or enterprises of any kind for profit, shall be maintained upon, or in connection with any Parcel, nor shall any Parcel be used for other than single family residential purposes.

B. Completion Time. Construction of a residence or other improvement shall be finished and completed no later than 9 months after the issuance of a building permit by the appropriate regulatory body.

C. Minimum Sizes and Roofs. All single family residential structures shall be constructed on site from new material or its equivalent, and as may be approved by the Committee. No reflective metal roofs shall be allowed. All exterior surfaces shall be non reflective and of natural materials as allowed by the Architectural Review Committee. Any residential structure shall contain a minimum of 1800 square feet, exclusive of carport, garage, open porches and patios.

D. Location and Heights. No structure, fence or wall shall be erected or placed on any Parcel other than within the Building Envelope as shown on the Plat. Heights shall not exceed those allowed by the city of Sedona. The method of height measurement, but not the heights themselves or height allowances, shall be in accordance with Sedona City Ordinance standards.

E. Driveways:

JE 11 OF 18
 BK 4233 PG 101 FEE#3820462

(i) **Exclusive Driveway.** Each Owner is granted an exclusive easement for a driveway and underground utilities across the Common Area to the Building Envelope at locations approved by the Architectural Review Committee; no driveway shall exceed 16 feet in width and shall be constructed of materials approved by the Architectural Review Committee. Each Owner shall the duty to properly maintain and restore the driveway which serves his or her residence;

(ii) **Limited Use of Side Yards for Driveway Location.** In an effort to maintain as much natural vegetation as possible within the open-space tract of Eagle Rock Subdivision (Tract "O"), efforts should be taken when locating driveways (in either front or side yard) to minimize the removal or damage to native vegetation including trees and shrubs.

Eight areas of specific concern have been located where driveways should be avoided, in order to maintain natural vegetation within Tract "O". Only under such circumstances satisfactory to the Architectural Review Committee and the City of Sedona Director of Community Development should a driveway location be considered for these eight areas listed following.

AREA LOCATION

1. Between the west side of Lot 2 and the east side of Lot 3
2. Between the northwest side of Lot 3 and the southeast side of Lot 5 and the Eagle Rock Lane side of Lot 4
3. Between the northwest of Lot 5 and the southeast side of Lot 6
4. Between the east side of Lot 23 and the west side of Lot 22
5. Between the north side of Lot 8 and the south side of Lot 9
6. Between the northeast side of Lot 16 and the northwest side of Lot 17

BE 12 OF 18
BK 4233 PG 101 FEE#3820462

7. Between the east side of Lot 15 and the west side of Lot 16
8. Between the east side of Lot 14 and the west side of Lot 15

The lots affected by this limitation are Lots 2, 3, 4, 5, 6, 8, 9, 14, 15, 16, 17, 22 and 23.

(iii) **Common Driveways and Gates.** Where a driveway is shown on the Plat as a "Common Driveway", the Owners served by the Common Driveway shall have a duty to maintain and restore the Common Driveway among themselves at their expense based upon number of Parcels and distances to each Parcel served by the driveway. The Owners among themselves shall also have a duty to maintain and restore any common driveway gate.

Lots 20, 21 & 22 will enter via a platted common driveway.

Lots 16, 17 & 19 will enter via a platted common driveway.

Lots 18, 12 & 14 will not be required to utilize the common driveway but may do so if desired, in compliance with Section 7.E.iii Common Driveways and Gates.

(iv) Exhibit "A" is attached and made a part hereto of these CC&R's. The exhibit shows the limited use areas, common driveway locations, lot numbers, and Tract "O" common area.

(v) **Entry Gates and Roads.** Developer may decide to gate both main entrances to the subdivision via Rhapsody Road and Windsong Drive. In the event gates are furnished, those roads will become private and will be maintained by the Property Owners Association. In that event, Home Owners Association Fees will be equal for all owners (to be set initially at six hundred dollars [\$600.00] per year, paid annually and prepaid at time of close of sale. Fees will be prorated to an annual renewal on January 1 of each year). Conditions of Section 7.E.iii become void in that event.

F. **Mobile/Modular/Manufactures Homes.** No Mobile or Modular or Manufactured Homes shall be permitted to be placed on any Parcel permanently, or temporarily.

G. 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.

H. Common Area. The Common Area (Tract "O") shall be left in a natural state, and not subject to a disturbance other than as may be necessary for maintenance by the Association, excepting for private driveways, drainage facilities and utilities as approved by the Architectural Review Committee or as necessary to provide service to the subdivision infrastructure. The Association shall restrict access to the common Area (i.e., area outside Building Envelopes), and no use thereof shall be made by an Owner, including those occupying adjacent Building Envelopes. The Association shall have the exclusive right and responsibility to maintain the above referred to Common Area, excluding driveways and utilities, and any damage to the Common Area caused by the Owner, his or her agent or his or her invitee shall be the responsibility of the Owner.

All Parcel areas beyond the Building Envelope shall be maintained in their natural state, and not subject to a disturbance excepting for underground utilities to serve the Parcels. All utility routing to serve individual Building Envelopes shall be subject to prior approval by the Architectural Review Committee. Each Parcel Owner shall be responsible for maintenance of his or her entire Parcel. Any removal of brush, weeds, dead trees, or the like outside the Building Envelope shall be subject to the prior approval of the Architectural Review Committee. No natural drainage courses shall be altered by any Owner.

I. 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 or his or her agent, shall be placed on any Parcel.

J. Landscape and Grading. There shall be no grading or other movement of earth or landscaping within any Parcel, except as approved by the Architectural Review Committee. Plants that are compatible with the area are acceptable.

K. Livestock, Poultry and Domestic Animals. No animals other than normal domestic animals shall be allowed on any Parcel. All domestic animals shall be confined within a fenced area and shall not be allowed to run loose or to create noise or other nuisances. The number of animals allowed shall be in accordance with the applicable City of Sedona Ordinances.

PAGE 14 OF 18
BK 4233 PG 101 FEE#3820462

- 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. No such container shall be allowed to be left out after collection. No outdoor burning of rubbish shall be permitted on any Parcel. The term "rubbish" shall include leaves and plant trimmings.
- M. 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 roadways.
- N. Windows and Window Coverings. There shall be no reflective window glass allowed. Window coverings which can be seen by any neighbor or from the street, are subject to the approval by the Architectural Review Committee.
- 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 on any Parcel, nor on any driveway or road. 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 Parcel or in any driveway or road. Nothing herein shall preclude work performed on a vehicle within the confines of a closed garage. None of the above shall be allowed to be abandoned on any Parcel. Only temporary vehicle parking by Owners of the Parcels, and their invitees, shall be allowed on the driveways and roadways and then only if no traffic hazard is created by said parking.
- P. Use of Roads. Only licensed vehicles may use any of the roadways as shown on the recorded subdivision plat. No all terrain vehicle or similar type vehicle or unlicensed vehicle shall be used on any roadway.
- Q. Utility Connection. All utility lines and connections within a Parcel shall be underground.
- R. Mining, Oil and Gas. There shall be no mining, mineral, oil or gas exploration or production on any Parcel.
- S. Clearing of Land. No brush, tree removal or grading of any Parcel shall be allowed, except within the Building Envelopes and only then in conjunction with the installation of an improvement upon the Parcel, and only with the written consent of the Architectural Review Committee.

T. Walls and Fences. All walls and fences shall be deemed an improvement and subject to Architectural Review Committee approval. In any event, no walls or fences shall be allowed beyond the boundaries of the Building Envelope.

U. Antennas and Satellite Dishes. No antenna or satellite dish shall be installed in a manner that will disturb the surrounding neighbors and/or the Property. The placement of any antenna or satellite dish must have Architectural Review Committee approval before it is placed on the Parcel. The Architectural Review Committee shall have the final decision on a dispute regarding a Parcel Owner's antenna or satellite dish and what effect it has on the surrounding neighbors or the overall Property.

V. 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 firearms may be discharged in any area of the Property. All exterior lighting, shall be shielded so as to be contained on the Parcel to be lighted and so not to be offensive to the Owner of any other Parcel. All such lighting shall be subject to Architectural Review Committee approval.

W. Waste Water. All lots must be connected to the City's central system. No individual sewage disposal systems shall be allowed. All installations shall be in accordance with the City of Sedona requirements. Only low water flow toilets shall be allowed.

X. Fire Prevention. There shall be no open fires. All chimneys shall be equipped with spark arresters. Some residences may be subject to the installation of fire sprinkler systems as required by the City of Sedona Fire Department. Owners must comply to City of Sedona Ordinances regarding fireplaces.

Y. Minimum Floor Elevations. The following minimum floor elevation shall apply to Lot 4, 4538 ft.

Z. Governmental Agency Requirements. The above provisions of this Section 7 are in addition to City of Sedona and other governmental requirements, and all Owners shall be obligated to comply with both This Declaration and the City of Sedona and other governmental requirements and the more restrictive shall prevail.

8. **UTILITY MAINTENANCE BY OWNERS**

Each Parcel Owner shall be responsible to maintain, repair, replace and restore, at Owner's expense any utilities located within the boundaries of an Owner's Parcel and its access, providing these utilities are specific for that Parcel. Utilities located on a Parcel that are general infrastructure and not specific to that Parcel, will be the responsibility of that particular utility company, or an adjacent property owner to whom this utility benefits. Upon completion of this utility related activity, the responsible party will be required to bring this site location back to its natural state, including revegetation as determined by the Association. The Parcel Owner shall have the right to effect repairs beyond the Parcel with the consent of the Association. The costs of such repair shall be the responsibility of the Parcel Owner.

9. **CONNECTION FEE**

All Parcels generating wastewater are obligated to pay to the City of Sedona a wastewater connection fee, as set by the City of Sedona. Other fees assessed by the City for collection and processing of the wastewater will be the sole responsibility of the owner or assign.

10. **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.

B. **Declarant's Exemption.** Nothing herein shall be construed as prohibiting Declarant from maintaining a sales or development office on any

Parcel or engaging in activities which Declarant deems appropriate to its development of the Property or its sales program.

C. Invalidity. Invalidation of any of these covenants, restrictions, reservations, conditions and servitudes 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 fifteen (15) years immediately following the date of the recording of This Declaration only by instrument executed by the Owners of a least fifty percent (50%) of the Parcels, but no such amendment shall be effective without the approval of Declarant during the period of time Declarant owns any Parcels. Further, any such amendment shall not be effective until the recording of such instrument in the office of the Yavapai County Recorder. Thereafter, This Declaration may be amended by instrument executed by the Owners of at least two-thirds (2/3) of the Parcels, included or incorporated within This Declaration, and such amendment shall not be effective until the recording of such instrument.

E. Terms. The covenants, conditions and restrictions of This Declaration, as the same may hereafter be amended in accordance with the terms of D. above, shall remain in full force and effect for a term of twenty (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 ten (10) years each, unless terminated as of the end of such initial twenty (20) years or any successive ten (10) years within the six (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 two-thirds (2/3) of the Parcels, included or incorporated within This Declaration, and recorded in the Office of the Yavapai County Recorder.

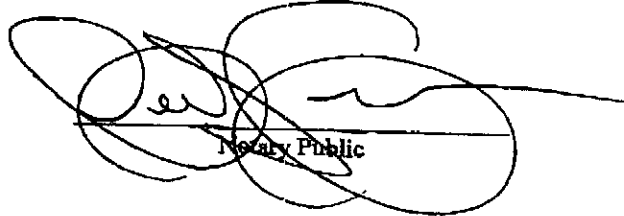
This Declaration of Covenants, Conditions and Restrictions is executed by the undersigned Declarant this 10th day of February, 2005, verified by the signature of Declarant.

SUNBURST VENTURES, LIMITED LIABILITY COMPANY,
An Arizona Limited Liability Company, Declarant

By: 
Manager

STATE OF ARIZONA)
) ss.
County of Yavapai)

This instrument was acknowledged before me this 10th day of February, 2005, by Paul Galloway, as Manager of Sunburst Ventures, LLC, an Arizona Limited Liability Company.


Notary Public

My Commission Expires:

