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When Recorded, Return To:

Chevelon Development LLC
7600 E Doubletree Ranch Road Suite 220
Scottsdale, Arizona 85258



128073 pick-up

**TIMBER RIDGE RANCH
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

This Declaration is made by Chevelon Development, L.L.C., an Arizona Limited Liability Company, hereinafter referred to as "Declarant".

Declarant is the owner of the following described real property situated within the County of Coconino, State of Arizona.

Parcels 1-4 TIMBER RIDGE RANCH, according to the Result of Survey recorded in the office of the Coconino County Recorder in Book 16 of Land Surveys, Pages 12

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 real property described herein 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 purposes (as set forth herein) only, and securing to each Parcel owner the full benefit and enjoyment of his or her Parcel and home in furtherance of a common plan.

2. DEFINITIONS

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

- A. The "Architectural Review Committee" means the committee provided for in Part 5 of this Declaration.
- B. The "Association" means Timber Ridge Ranch Property Owners Association as referred to in Part 3 of this Declaration.
- C. "Bona Fide First Mortgage" means any Realty Mortgage or Deed of Trust made in good faith and for value and properly executed and recorded so as to create a lien on any Parcel or Parcels that is prior to the lien of any other Realty Mortgage or Deed of Trust.
- D. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Timber Ridge Ranch.
- E. "Mobile Home" means a moveable or portable unit for residential purposes constructed to be towed on its own chassis and designed to be installed with or without a permanent foundation.

F. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee or equitable or beneficial title to any Parcel. Owner shall include the purchaser of a Parcel under an executory contract 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.

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

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

I. The "Result of Survey" means the result of survey of record referred to above, as may hereafter be amended.

3. PROPERTY OWNERS ASSOCIATION

A. There is hereby created the Timber Ridge Ranch Property Owners Association. The purpose of the Association is to maintain the roadway easement as shown on the Result of Survey, the entry shared with Pine Canyon Property Owners Association and any common property that may be designated, maintain any perimeter fences, (but not individual Parcel Owner fences) and act as the Architectural Review 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 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 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 Result of Survey, or additional Results of Surveys 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 and repair and reserves, along with Association insurance and operating costs; (ii) special assessments for capital improvements with such assessments to be established by the Association. The regular and any special assessments, late payment penalties and charges, if any, together with interest, (all



as set by the Association) costs and reasonable attorneys fees, shall be a lien on the Parcel. Each Parcel Owner shall be personally responsible for his or her share of assessments imposed by the Association. This personal obligation for delinquent assessments shall not pass to the Owner's successor in title, unless expressly assumed by such successor; however, the obligation to pay same shall be a continuing lien on the Parcel, excepting for the provisions of Paragraph 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 roadways and any other designated common areas as shown on the Record 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 or purchase contract wherein the Owner acquired legal, beneficial, or equitable title to the Parcel. The Declarant shall be responsible for comparable assessments. The assessment will vary by parcel size. The assessments are in dollars per year and are subject to change by the Association. The initial assessments shall be as follows:

# ACRES	ANNUAL FEE
9 - 17	\$400.
18 - 26	\$550.
27 - 35	\$675.
36 and up	\$800.

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 if the Association determines by two-third's ownership vote 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.

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 three (3) 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 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. If 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 conditions complained of. 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 to the condition complained of within fifteen days after notice from the Association. The Association shall approve or disapprove any plans submitted by the Owners 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, and 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

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

5. ARCHITECTURAL REVIEW

No Parcel leveling, excavation, grading, planting, landscaping, 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 to and approved by the Architectural Review 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 Timber Ridge Ranch, 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 Coconino County requirements.

The natural vegetation must be preserved as much as possible. All grading, excavation and building shall reflect the goal of protecting the natural vegetation.

A. Membership. The Committee shall be initially composed of Cory Frampton, Chris Cacheris and Howard Reichsfeld, their successors and assigns. When seventy five percent (75%) of the Parcels (including any additional phases incorporated into this Declaration) have been sold by the Declarant, then the function of the Committee shall be assigned to the Association. Prior to assignment to the Association, the Declarant shall appoint and remove the Committee members. 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 from their acts or omissions.

B. Procedure. The Committee will charge a review fee of \$300 which is payable prior to the beginning of a review. 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 by the Committee.

6. GENERAL RESTRICTIONS APPLICABLE TO ALL PARCELS

A. Land Use. No building other than one single family dwelling residence and a private garage, and 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. A guest house may not be completed prior to the completion of the single family residential structure. Any guest 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, or enterprises of any kind for profit shall be maintained upon, in front of, or in connection with any parcel, nor shall any parcel be used for other than strictly single family residential structure or purpose. However, home offices and other similar casual uses may be permitted upon the specific written consent of the Committee.

The parcels can be split by a purchaser. Parcels 1, 2 and 3 may be split into parcels no smaller than ten acres in size and Parcel 4 may not be split into parcels smaller than 9 acres in size. No original parcel may be split into more than four parcels. All parcel splits must be approved in writing by the declarant, or by the Property Owners Association as declarants successor, as to configuration and remaining access. Prior to splitting a parcel, Buyer shall provide declarant with a survey, performed by a licensed land surveyor, of the entire parcel showing the proposed split with dimensions and acreage on each parcel. The survey shall also show the location and width of any access easements being created to any of the parcels. The access easements shall be a minimum width of 30 feet and the declarant reserves the right to require 40 feet if declarant believes it to be necessary. The survey shall also show the location and size of any culverts needed along access easements. Upon receipt of two copies of the survey of an acceptable split, the declarant, or the Architectural Review Committee of the Property Owners Association as declarants successor, will sign one copy and return it to Buyer. Buyer shall not split the property prior to close of escrow and Buyer acknowledges that the declarant will not be a party to any splitting of the property prior to close of escrow.

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.

C. Minimum Sizes and Roofs. Any single family residential structure 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 1,700 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 property line and no closer than 200 feet to any property line abutting the adjacent developments of Starlight Pines or Pine Canyon. 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. The road being built by the declarant is not being built to County standards and will not be dedicated to the County for maintenance. The road is an easement which is for the use of the property owners. The Property Owners Association will maintain the road and pay for maintenance from the Property Owners Association fees. The declarant will install culverts, compact the subgrade and install 4" of abc. The finished road surface will be a minimum of twenty feet in width with a two foot shoulder on each side. The Association shall have the right to convey any such easements and/or roadways to the County.

The gravel road connects to a paved road used by the Pine Canyon Property Owners Association. The Timber Ridge Ranch Property owners Association will enter into an agreement to jointly pay for the cost of maintenance from the intersection south to Highway 89.

H. Signs. No signs or billboards used as advertising or promotional devices, except those used in the sale of Parcels in the project 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 or portion thereof. No other signs of any nature may be installed without the prior written consent of the Architectural Review Committee. No signs may be nailed to trees.

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

J. Livestock, Poultry and Domestic Animals. A maximum of four horses, donkeys or mules ("Riding Animals") are permitted subject to the restrictions described below. Cattle and other large animals are not permitted. Cats and dogs ("household pets") are allowed to be kept on the property in reasonable numbers, provided that no pets shall be allowed which create a hazard or nuisance to Owners of adjacent parcels. No pigs, fighting chickens, nor wild animals of any kind will be permitted. No other livestock, animals or poultry shall be allowed without the specific written consent of the Association. All permitted animals shall be confined within a fenced area, and all fences shall be approved by the Architectural Review Committee.

A maximum of four Riding Animals may be kept on a Parcel providing all of the following conditions are met:

- A) A fenced area not to exceed two acres shall be constructed to contain the riding animals. The fenced area may not be closer than one hundred feet to any property line and not closer than 200 feet to any property line which abuts the adjacent developments of Starlight Pines and Pine Canyon.
- B) Sprinklers may be required by the Association, in it's sole discretion, to control dust in areas where riding animals are kept.
- C) Riding animal areas shall be kept clean to prevent flies and noxious odors.
- D) Enclosed shelters for riding animals shall be constructed.
- E) No arena type lighting or overhead lighting shall be permitted.
- F) Screening may be required to reduce unsightly views to adjacent parcels.
- G) No horses may be kept on a parcel, or any clearing, grading or construction take place, until the owner has submitted a site plan for the parcel and received the written approval of the Architectural Review Committee. The site plan shall provide for the preservation of large trees, shall indicate trees to be cut, grading, screening if necessary, provisions for watering, sprinkler system details for dust control, fencing details and complete architectural details on proposed structures. All of the Architectural and Design Control provisions of Paragraph 5 shall apply to this submittal.

K. Utilities. Power is available to a point on the property line of each parcel. There is an existing overhead power line that will remain in place. All other power lines to be installed on the property by the owner shall be underground. Each property owner shall be responsible for the cost and work needed to extend power from the property line onto their parcel. Electrical service is provided by APS.

Telephone is available at a point on the property line of each parcel. All telephone lines to be

installed on the property by the owner shall be installed underground. Each property owner will be responsible for the cost and work needed to extend telephone from the property line onto their parcel. TDS Telecom is the provider for telephone service to the project.

Water is available at a point on the property line of each parcel. Each property owner will be individually responsible for the cost and work needed to extend water from the property line onto their parcel. Starlight Water Company provides water to the property.

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.

M. Individual Sewage Disposal Systems. Individual sewage disposal systems shall be constructed on each parcel by the owner. All systems shall be constructed to Coconino County Health Department standards. No sewage disposal system shall be installed within one hundred feet of any property line. No sewage disposal system shall be installed without first obtaining the Health Department Sewage Disposal Permit. All sewage disposal systems shall be kept as not to disturb surrounding neighbors and/or Property with offensive odors and/or sight, and located so as to minimize grading and/or disturbance to existing vegetation. Most parcels do not have soils conditions which will permit conventional septic systems and will require alternate systems.

N. Protective Screening. All 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 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, 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. Fencing. Fencing of areas containing riding animals may consist of brown vinyl clad chain link, barb wire, pipe painted brown or green, brown vinyl clad animal wire or other materials approved by the Architectural Review Committee. Perimeter fencing may only be constructed of split rail, log or rock.

S. Trails. Equestrian / Pedestrian Trails have been established along the north line of parcels two and three and along the line between parcels two and three. The trail along the north line of parcels two and three connects to a trail along the north boundary of Canyon Ridge and continues west to the Forest Service Boundary. The trails are for the use and enjoyment of the property owners of Timber Ridge Ranch, Pine Canyon and Starlight Pines. No motorized vehicles of any kind are permitted on the trails. Trails on Parcels 1-4 shall be maintained by the Association.

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

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

C. Invalidity. Invalidation of any of these covenants, 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 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.



