

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
LONG MEADOW RANCH

First American Title Insurance Company, as Trustee of Trust 7997, is the fee title holder of Tracts 1 through 661, Long Meadow Ranch Unit 1 and 2¹, according to the survey Map of Record in the Office of the Yavapai County Recorder, Book 20 of Surveys, Page 36-38.

Long Meadow Ranch, Inc., an Arizona Corporation ("Declarant")², acting through First American Title Insurance Company, a California Corporation, as Trustee, and being the owner of the property described and desiring to establish the nature and use of enjoyment of said property in accordance with a uniform plan, does hereby declare all of said property subject to the following covenants, conditions and restrictions (sometimes referred to herein as "Restrictions") as to the use and enjoyment thereof, all of which are to be construed as restrictive covenants running with the title to all of said property and each and every part thereof.

ARTICLE I

Use Restrictions

1. No further splitting or re-subdividing of the parcels as shown on the recorded plat of Long Meadow Ranch, Unit 1 and 2³ shall be allowed. All parcels shall be used for residential purposes only. The term "residential" shall not include mobile homes, travel trailers or recreational vehicles; no mobile homes, travel trailers or recreational vehicles are allowed for residential purposes. All residences shall be constructed on-site and shall be of conventional construction. Not more than one single family detached residence (which shall be no less than 1,200 livable square feet) with normal customary outbuildings, such as a garage, a guesthouse, a barn, a tack-room, and an equipment room shall be allowed for each parcel.

2. All residences shall install water flush toilets, and all bathrooms, toilets or other sanitary conveniences shall be located within the residence and all waste water shall be discharged into municipal/county approved septic sewage disposal system to be installed by the parcel owner.

3. No structure (other than allowed fencing) shall be located on the building site less than 50 feet from any parcel line, nor in conflict with any municipal/county regulations. In no event may any such structure be placed or erected on any easement as shown on the Survey Map. All contemplated improvements, once commenced, must be fully completed on the exterior within six (6) months of commencement date; the 6 month time frame may be adjusted in advance of commencing construction with approval of the Architectural Review Committee after review of the construction plans. After construction commences, the Board may grant an extension based on extenuating circumstances.

4. No solid wall or solid fence of any type over six (6) feet in height shall be erected. Ranch perimeter fencing is allowed provided it is not solid in nature or chain link, and shall be set back 30' from any roadway. Any fencing (layout, design, materials, spacing, etc.) shall be subject to LMRPOA Board approval as outlined in these Restrictions.

¹ Amended to include LMR Unit 2 on 27 October, 1994. Recorded in Yavapai County in Book 2919 page 369

² Declarant released all right to LMRPOA 18 November, 2002 Recorded in YC in Book 3976 page 957

³ Amended to include LMR Unit 2 on 27 October, 1994. Recorded in Yavapai County in Book 2919 page 369

5. No residence, building, guest house, garage, carport, tack-room, equipment room, fence, wall, ranch signage or other structure shall be commenced, erected, installed or maintained, until the plans and specifications and model number, where appropriate, reflecting the nature, kind, shape, height, color, materials, floor plans, location and approximate cost of such improvements shall be submitted to and approved by LMRPOA (Long Meadow Ranch Property Owners Association). In the event LMRPOA fails to approve or disapprove any such proposed improvements, its design, location or the kind of materials to be used in such structure within forty-five (45) days after written request to do so and after such request has been received by LMRPOA, then such approval from LMRPOA will not be required and the improvements constructed shall be governed only by the Restrictions set forth herein. LMRPOA or its assigns shall have absolute discretion in rejecting any proposed improvement for any reason, including, but not limited to, aesthetics. LMRPOA or its assigns shall have the right to waive a particular prohibition contained in these Restrictions where a hardship would otherwise exist, provided such waiver does not abrogate the overall stated intention and purpose hereof. All subsequent additions to or changes or alterations in any of the above referred to improvements shall also be subject to the prior approval of LMRPOA on the same basis set forth above. Proposed improvements may be subject to local county building codes and regulations. It is the owner's responsibility to comply with the county building codes and regulations, if any.

6. No motor vehicles, including but not limited to, boats, tractors, ranch equipment, ATV's, snowmobiles and motorcycles, which are under repair or not in operating condition, shall be visible on any parcel, unless located within the confines of an enclosed garage or other enclosed structure.

7. No swine of any kind shall be raised, bred or kept on any parcel. While the use of the parcel for ranching purposes is allowed – including a reasonable number of horses and cattle, no stockyards, dairy cows, horseback riding stables or any other activity which would create excessive dust, noise or obnoxious odors shall be permitted.

8. All fireplace chimneys and outlets from stoves, heating appliances, outside fire boxes must be protected from spark by capping or screening. No campfires are allowed.

9. No noxious or offensive activities shall be carried on upon any roadway or parcel nor shall anything be done thereon which may be or may become an ongoing annoyance or a nuisance. Hunting, discharging of firearms, excessive speeds, indiscriminate and unsafe use of vehicles creating dust or noise shall be considered a nuisance and are hereby prohibited.

10. All parcels shall be kept free of debris and trash so as not to cause an unsightly or dangerous condition, noxious odor, matters which would cause flies, vermin or any violation of the State or County health code, and it is agreed that LMRPOA, upon ten (10) days written notice to the Parcel owner, shall have the right to remove any debris or trash from the parcel, with the parcel owner agreeing to pay to the LMRPOA, upon demand, all reasonable costs incurred in removal of such debris.

11. Any signage shall be subject to LMRPOA approval as outlined in these Restrictions, however, one normal temporary "For Sale or "For Rent" sign, not to exceed 2' X 2' in size shall be allowed on any parcel.

12. In accordance with the provisions of these Restrictions, the Board may from time to time adopt and establish rules and regulations, and to take such steps as it deems necessary for the enforcement of such rules and regulations.

13. In accordance with these Restrictions, once construction has begun on any structure, including a residence and any outbuildings, exterior of said structures shall be complete within six (6) months of the start of construction.

14. All electric service lines run from the lot line of any parcel, to any residence, outbuilding, machinery, pump or anything requiring electric service on said parcel, shall all be placed underground.

15. Water may not be transported from any parcel for commercial, agricultural, ranching use, or to support any other real estate development.⁴

ARTICLE II

Covenant For Maintenance Assessments

1. For the purposes of maintaining and repairing the streets and drives within Long Meadow Ranch, and access roads, and enforcing this Declaration, and any future amendments, in accepting a deed for any of the Parcels in Long Meadow Ranch, Unit 1 and 2⁵, or any portion thereof, each and every owner (which term is inclusive of purchasers under contract), automatically becomes a member of the Association. The Association shall be operated and conducted on a strictly cooperative and non-profit basis. Each owner shall be responsible for its share of assessments and any and all assessments imposed by the Association, if not paid when due, shall constitute a lien on such ownership.

2. Each owner is deemed to covenant and agree to pay to the Association (1) regular assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected and provided herein. The annual and special costs, and reasonable attorney's fees, shall be a lien on each parcel. Each such assessment, together with interest, late penalty, costs and reasonable attorney's fees, shall be the personal obligation of the person who was the owner 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 them; however, the obligation to pay the same shall be a lien on the individual parcel, and must be cleared prior to any future sale of the parcel.

3. The assessment levied by the Association shall be used: a) To contract and pay premiums for casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association; b) To contract for and pay for maintenance, utilities, materials, supplies, labor and services that may be required from time to time in relation to Association property or property for which the Association is responsible; c) To pay all taxes, special assessments and other assessments and charges which are or would become a lien on Association property; and d) To contract for and pay for construction or reconstruction of Association owned, managed or maintained property damaged or destroyed.⁶

4. Both regular and special assessments will be divided among the owners on a per parcel owned basis in relation to the total number of parcels in the property presently or in the future included in this Declaration. When a parcel assessment is levied, each owner shall be responsible for that amount multiplied times the number of parcels owned; assessments shall be payable on a monthly or other such basis as determined by the Association.

⁴ Paragraph 15 Article I was added by amendment 29 October, 2003. Recorded Bk 4089 pg 011

⁵ Amended to include LMR Unit 2 on 27 October, 1994. Recorded in Yavapai County in Book 2919 page 369

⁶ Paragraph 3 of article II amended 29 August, 2001. Recorded in YC Book 3859 page 055

5. The regular assessments shall commence as to all owners as of close of the sale by Declarant of the first parcel. Prior to the first meeting of the Association (Article IV, Paragraph 1), the operation of the Association and the amount of the assessment shall be as determined by Declarant, with comparable assessments being paid by Declarant on parcels it owns. Regular assessments shall be set by the Association through its Board of Directors on an annual basis. After the initial annual assessment, the Association shall fix the amount of the regular assessment against each parcel owner at least thirty (30) days in advance of each regular assessment period. Written notice of the assessment shall be sent to every owner subject thereto. The due dates shall be established by the Association. The Association shall not impose a regular assessment that is more the twenty percent greater than the immediately preceding fiscal year's assessment without the approval of the majority of the members of the Association.⁷

6. The Association may set a special assessment in addition to the regular assessment if: (1) the Board determines that such meets the primary purposes of the Association; and (2) the special assessment is approved, by written ballot, by a majority of the membership. An exception to the written ballot of the membership can be made if a majority of the Board declares an emergency. In this case, the Board may set an emergency special assessment that cannot exceed the annual dues for that year.⁸

7. All sums assessed by the Association for the share of the common expenses chargeable to any parcel but unpaid shall constitute a lien on such parcel prior to all other liens except only: (1) tax liens in favor of any assessing agency and special district; and (2) all sums unpaid on the first mortgage of record. Such lien may be foreclosed by suit by the Board, acting on behalf of the owners of the parcels, in like manner as a foreclosure of a real property mortgage. During any such foreclosure, the parcel owner shall be required to pay reasonable rental for the parcel, and the plaintiff in such foreclosure action shall be entitled to the appointment of receiver to collect the same. The Board, acting on behalf of the Association shall have the power, unless prohibited herein, to bid on the parcel at foreclosure sale, and to acquire and hold, lease, encumber and convey same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

8. Where the mortgage of a first mortgage of record or other purchaser of an ownership obtains title as a result of foreclosure, such acquirer of title, its successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such parcel owner which become due prior to the acquisition of title to such ownership by such acquirer. The term "mortgage" shall include "deed of trust" and "Mortgagee", shall include the "beneficiary under a deed of trust".

9. The Association shall have the authority, if so approved by a majority vote of its members, to assume additional functions beyond those summarized in paragraph 1 above (paragraph 1 of Article II) provided such functions relate to utility and other matters involved in the development of Long Meadow Ranch Unit 1 and 2.⁹

ARTICLE III

Membership and Voting Rights

1. Membership shall be appurtenant to and may not be separated from parcel ownership. The rights and obligations of an owner and membership in the Association shall not be assigned, transferred,

⁷ Paragraph 5 of article II amended 20 January, 2005. Recorded in YC Book 4226 page 018

⁸ Paragraph 6 Article II amended 8 September, 2008. Recorded in YC Book 4620 page 225

⁹ Paragraph 9 added by amendment 6 June, 1994. Recoded in YC Book 2847 page 239

pledged, conveyed, or alienated in any way except upon transfer of ownership, or by intestate succession, testamentary disposition, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona.

2. Each parcel owner shall be entitled to one (1) vote for each parcel owned. When there is more than one owner all such persons shall be members.¹⁰ When more than one person owns a parcel, all such persons shall be members, but the vote for such parcel shall be exercised as they among themselves unanimously determine. In the event of non-agreement among the owners, the vote for the parcel shall not be accepted, and fractional votes shall not be allowed. Unless otherwise provided for herein, all actions shall be by majority vote.

ARTICLE IV

Association Members; Meetings

1. The initial annual meeting shall be held one year (with a fifteen (15) day time allowance for date convenience purposes) from the date of closing of the first parcel sale by Declarant. Thereafter, the annual meeting of the parcel holders shall be held on a date set by the Board of Directors each year, at such location as the President and a majority of the Board of Directors shall specify in writing to the owners.¹¹

2. A special meeting of the owners may be called at any time by the President or by a majority of the Board, and shall be held at such place as is designated by the President or a majority of the Board, and stated in a written notice. No special meeting shall be called unless the Secretary of the Association shall have mailed to or served upon all of the owners, written notice of the said meeting at least ten (10) days and not more than forty five (45) days prior to the date of said meeting. All notices shall be mailed to or served at the address of the owner as it appears on the books of the Association or at such other address as designated in writing by the owner.

3. A majority of the parcel owners either in person or by proxy shall be necessary to conduct any such meeting. In the event such a quorum is not present, the meeting may be delayed from time to time by a majority of those present provided that written notice of the new time, date and place shall be mailed to or personally served upon each member at least five (5) days prior to the time fixed for said meeting.

ARTICLE V

Board of Directors

1. The affairs of the Association shall be governed by a Board of Directors composed of not less than five (5), nor more than nine (9). All Board members must be land owners.

2. The Directors shall be voted upon by the membership at its annual meeting with the term of each member of the Board of Directors to be for a period of two years. The terms shall be staggered to elect a maximum of five (5) members one year and a maximum of four (4) members the next¹². Directors may be re-elected to as many terms of directorship as the members may designate.

¹⁰ Paragraph 2 of article III amended 29 August, 2001. Recorded in YC Book 3859 page 055

¹¹ Paragraph 1 of article IV amended 25 June, 2003. Recorded in YC Book 4045 page 105

¹² Paragraph 2 of article V amended 29 August, 2001. Recorded in YC Book 3859 page 055

3. The annual meeting of the Board of Directors shall be held at the same place as the annual membership meeting immediately following the adjournment of the annual meeting of the owners. The Board of Directors may establish a schedule of regular meetings to be held at such place as the Board of Directors may designate, in which event, no notice shall be required to be sent to the said Board of Directors of said regular meetings once said schedule has been adopted.

4. Special meetings of the Board of Directors may be called by the President, and in his absence, by the Vice President, or by a majority of the members of the Board of Directors by giving ten (10) days notice in writing to all of the members of the Board of Directors of the time and place of said meeting, said notice to be mailed to or personally served on each member of the Board of Directors by the Secretary of the Association. By unanimous consent of the Board of Directors, a special meeting of the Board of Directors may be held without notice at any time or place. All notices of special meetings shall state the purpose of the meeting.

5. A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of a majority of the members of the Board, but a majority of those present at any annual, regular or special meeting shall have the power to adjourn the meeting to a future time, provided that written notice of the new time, date and place shall be mailed to or personally served on each member of the Board of Directors by the Secretary of the Association at least five (5) days prior to the time fixed for said meeting. Unless otherwise provided for herein, all Board action shall be by a majority vote of the Directors.

6. The directors of this Association shall serve without compensation.

7. Any director may be removed from office upon the affirmative vote of a majority of the owners. In the event of any removal, resignation or vacancy on the Board, the remaining members of the Board shall elect an owner for the balance of the unexpired term. The election shall be held for the purpose of filling any vacancy at any regular or special meeting of the Board.

8. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize. Any such management agent shall incur no liability for acting in good faith upon instructions given to it by a majority of the Board Directors.

ARTICLE VI

Officers

1. The principal officers of the Association shall be a President, Vice President and a Secretary/Treasurer, all of whom shall be elected by the Board of Directors. At least two (2) officers must be parcel owners. The directors may appoint such other officers as in their judgment may be necessary.

2. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

3. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

4. The President shall be the Chief Executive Officer of the Association; he shall preside at all meetings of the owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association, and shall perform and have the powers necessary to perform all of the duties incident to his office and that may be delegated to him from time to time by the Board of Directors.

5. The Vice President shall perform all of the duties the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

6. (a) The Secretary/Treasurer shall issue notices of all Board of Directors meetings and all owners meetings; he/she shall attend and keep the minutes of the same; he/she shall have charge of all of the Association books, records and papers.

(b) The Secretary/Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors.

(c) The Secretary/Treasurer shall disburse the funds of the Association as may be ordered by the Board in accordance with these Articles, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association.

(d) The Secretary/Treasurer shall collect the assessments and shall promptly report the status of the collections and of all delinquencies to the Directors.

(e) The Secretary/Treasurer shall also give assessment status reports to potential transferees, on which reports the transferees may rely.

7. The Secretary/Treasurer, and all officers who are authorized to sign checks, must be bonded or insured under a Directors and Officers policy, unless waived by a vote of the membership, in an amount equal to the total anticipated assessments for a full year. Cost of the bond shall be paid for by the Association.

ARTICLE VII

Banking and Determination of Assessments

1. The funds of the Association shall be deposited in a bank in Yavapai County designated by the Board of Directors, in an account for the Association under resolution approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by the designated officer of the Association or an agent as appointed by the Board. All promissory notes of the Association shall be signed by any two officers of the Association.

2. The determination of assessments and notice of delinquent assessments shall be as follows:

(a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate for the common expenses of the property. Common expenses shall include expenses for the improvement, maintenance, repair or replacement of the roadways, costs of

carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, taxes, utility expenses, maintenance costs, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association.

(b) When the Board of Directors has determined the amount of any assessment, the Secretary/Treasurer of the Association shall mail or present a statement of the assessment to each of the owners. All assessments shall be payable to the Association in care of the Secretary/Treasurer of the Association and upon request shall give a receipt for each payment made.

(c) In the event an assessment is not paid within thirty (30) days of the date it is due and payable, the Association, through its Board of Directors, may proceed to enforce and collect the said assessment together with interest not to exceed the highest legal rate, together with a late charge equal to ten percent (10%) of any payment not made within thirty (30) days of when due.

ARTICLE VIII

Maintenance and Repairs

1. The Board of Directors may enter into a contract(s) with any firm, person, governmental agency or entity, or corporation for the improvement, maintenance, and repair of the roadways. The Board of Directors by contract; empower and grant to such firms, person or corporation, the right of access.

2. The Association shall have full and exclusive power to control and it shall be its duty to maintain, contribute, repair and make necessary improvements as provided for in this Declaration.

ARTICLE IX

Proxies

Any vote of the Membership of the Board of Directors may be by proxy. Proxies must be in writing and signed by the owner, with the proxy being limited to a specific and designated meeting and any adjournment thereof by the Membership or the Board of Directors.

ARTICLE X

Enforcements

1. Failure to enforce any of the Restrictions herein contained shall not in any event be construed to be a waiver thereof, or a consent to any further succeeding breach or violation hereof. Upon a breach of any of the provisions of these Restrictions, anyone owning land included within the Survey Map boundaries or neighboring land subject to similar Restrictions may bring action in a court of proper jurisdiction to enjoin or restrain said violation or to recover damages do to the breach thereof, along with the recovery of reasonable attorney's fees and costs. As used in these Restrictions, the term "owner" shall include anyone having a legally recognized interest in the property.

2. No mortgage, deed of trust or other encumbrance entered into by a parcel owner shall be considered unenforceable nor shall it be adversely affected by any violation of these Restrictions, excepting, upon foreclosure of any such encumbrance, the holder thereof acquiring title shall be subject to all the terms and conditions of these Restrictions.

ARTICLE XI

Violations

In the event of any violation of any of the above by an owner, then the Association or any owner may, at its option, have the following rights against the violator: (1) An action at law to recover for damages; and/or (2) an action in equity to enforce performance on the part of the owner; and/or (3) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Failure to maintain such an action at law or in equity shall not constitute a waiver of the violation or any other violations.

ARTICLE XII

Term and Amendment

The foregoing Restrictions shall run with the land and shall be binding upon all persons having an interest in and owning any of said parcels until January 1, 2025, at which time said Restrictions shall be automatically extended for successive periods of ten (10) years, unless by a majority of the then owners, including any purchases under contracts, of the parcels, it is agreed to modify or terminate said Restrictions in whole or part. At any time while these Restrictions are in force and effect, they may be amended in writing and duly recorded by the then owners, including any purchasers under contracts, of 75% of the acreage affected by these Restrictions.