

When Recorded Return To:

Ranchland Holdings II, LLC, an Arizona LLC  
2812 N Norwalk Suite 105  
Mesa AZ 85215

## **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS HIDDEN HILLS RANCH**

This Declaration is made by Ranchland Holdings II, LLC, an Arizona LLC, hereinafter referred to as "Declarant". Declarant is the owner of the following described real property situated in Navajo County, Arizona,

Parcels A Thru J of the Hidden Hills Ranch Record of Survey as recorded in Document 2016-14952 records of Navajo County Arizona.

Declarant hereby declares that all of the Property, 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 COVENANTS, CONDITIONS AND RESTRICTIONS**

The purpose of these covenants, conditions and restrictions is to assure the use of the property for attractive residential and non-commercial farm and ranch purposes (as set forth herein) only, and securing to each Parcel owner the full benefit and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and enhancing the quality of life within the project. The owners and all persons hereinafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which are declared to be in furtherance of a common plan to promote and protect the Project and the Property.

### **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 Hidden Hills 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 as from time to time amended.

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 for human occupancy as a residence.

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. "Record" or "Recording" means an instrument of record in, or the act of recording an instrument with, the office of the County Recorder for Navajo County, Arizona.

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

K. "Transition Date" means the date wherein Declarant assigns the functions of governing the project to the Association as provided for in this Declaration.

### **3. PROPERTY OWNERS ASSOCIATION**

A. There is hereby created the Hidden Hills Ranch Property Owners Association. The purpose of the Association is to serve as the governing body for all of the Owners/Members for the protection, improvement, alteration, maintenance of the roadway as shown on the Result of Survey, the entry gate and any perimeter fences, (but not individual Parcel Owner fences) and act as the Architectural Review Committee in accordance with the provisions of Paragraph 5. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners/Members 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 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 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.

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 attorney's 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 mortgages.

F. The Association shall, on an annual basis, make a determination as to the estimated costs of the repair and maintenance of the roadway as shown on the Record of Survey 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, including Declarant, 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 assessment will vary by parcel size so that persons purchasing parcel splits have an equivalent obligation regarding maintenance. Prorations will occur as of the first day of the calendar month following the issuance of the permit. The assessments are in dollars per acre per year and are subject to change by the Association. The initial assessments shall be as follows:

# ACRES	Assessment Per Acre
10 - 20	\$20
20 - 30	\$15
30 - 40	\$10

THESE FIGURES ARE DOLLARS PER ACRE PER YEAR.

The Parcel Owner acquiring his or her interest from Declarant during the calendar year shall be obligated for a pro rata portion thereof. The Association shall fix the amount of the regular assessment at least thirty (30) days prior to the end of the calendar year. Written notice of the assessment shall be sent to every Owner. The payment due date shall be established by the Association.

H. In addition to the regular assessment as set forth above, the Association may set special assessments, be empowered to adopt, amend or repeal such rules and regulations as it deems reasonable and appropriate 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. Said rules, regulations and special assessments shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding on the Owners, and all other Persons having any interest in, or making any use of, the Property.

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 Declarant shall have the power and right to appoint and remove the members of the Architectural Committee and oversee maintenance and repairs of the project until the Transition Date. After that date 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. In the event the Association determines that any Parcel Owner has not complied with the provisions of this Declaration, then the Association may, at its option, give written notice to the Owner of the 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 Property shall become subject to this Declaration shall be subject to the terms and conditions of this Declaration, but may include reasonable variances, and shall be subject to the jurisdiction of the Association without the approval, consent or vote of the Association or its Members, provided that an Amendment to this Declaration shall constitute and effectuate an annexation of the Expansion property described therein, making said real property subject to the functions, powers and jurisdiction of the Association and thereafter the expansion property shall be part of the Property for all intents and purposes of this Declaration and all of the Owners of Parcels in the Expansion Property shall automatically be Owners or Members in accordance with provisions contained herein.

## **5. ARCHITECTURAL AND DESIGN REVIEW**

No residence, outbuilding, fence or wall, or other improvement or installation, shall be commenced, erected, placed, or altered on any Parcel, until the plans and specifications therefore, showing the nature, kind, shape, materials, floor plans, and locations shall have been submitted 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 Hidden Hills 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 Navajo County requirements.

A. Membership. The Committee shall be initially composed of Mark Reeb, ? and ? and Kevin Reis, 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'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 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 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.

No Parcel shall be divided smaller than that allowed by applicable governmental regulations and ordinances but in no event shall a Parcel be created which is smaller than 8 acres in size. Further, no original parcel shall be divided into more than three parcels. No parcel may be divided without first obtaining the approval of the Declarant as to its size, shape and plan for access to the divided parcel and the remaining parcel. The Declarant may assign it's right to approve all divisions to the Property Owners Association.

B. Completion Time. Construction of a residence shall be finished and completed no later than 1 year after the issuance of a building permit by the appropriate regulatory body with any approved barn or shed being completed within 6 months after issuance of the permit.

C. Minimum Sizes and Roofs. Any single family residential structure or approved barn, shed or other improvement placed upon any Parcel shall be constructed from new material or its equivalent, and as may be approved by the Committee. No reflective roofs shall be allowed. Any primary residential structure shall contain a minimum of 1,500 square feet of living area, exclusive of carport, garage, open porches and patio. The minimum size of guest houses shall be as approved by the Committee.

D. Location. No dwelling or other building improvement shall be erected or placed on any Parcel nearer than 100 feet to any boundary line, unless approved in writing by the Architectural Review Committee. It is understood that the above set-back lines and all other use restrictions contained in this Declaration are in addition to zoning and other land use regulations adopted by governmental authorities and the more restrictive must be followed.

E. Mobile Homes. Mobile homes shall not be permitted to be placed on any Parcel permanently or temporarily.

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

G. Roads. Maintenance of the road as designated on the recorded Result of Survey shall be the sole responsibility of the Association to maintain.

H. Right of Access. An authorized representative of the Association, and all contractors, repairmen or other agents employed or engaged by the Association, shall be entitled to reasonable access to each of the Parcels as may be required in connection with maintenance and repair of the or any equipment, facilities or fixtures affecting or serving other Parcels, or to perform any of the Association's duties or responsibilities hereunder.

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.

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

J. Livestock, Poultry and Domestic Animals. Horses, cattle and domestic animals are allowed to be kept on the property in reasonable numbers. The casual breeding of animals for profit is permitted. The commercial raising of livestock, or other commercial uses, are not permitted. The architectural Review committee, in its sole discretion, shall decide which uses are casual and which are commercial. A written opinion can be obtained from the committee as to any proposed use which may be questionable. All livestock, poultry and domestic animals shall be maintained so as to avoid creation of a hazard or nuisance to owners of other Parcels. No pigs, fighting chickens, nor wild animals of any kind will be permitted. All livestock and poultry shall be confined within a fenced area, and all fences for any livestock or animals shall be constructed of new material or the equivalent thereof and of such height and strength as to adequately contain any and all permitted livestock or animals. All areas maintained for livestock and poultry shall at all times be kept clean, with all manure removed on a regular basis. In no event shall any domestic pet be allowed to run free away from its owner's parcel without a leash, or so as to create a nuisance.

K. Agriculture. The raising of agricultural crops for personal use is allowed; all commercial agricultural use is prohibited. No noxious or offensive crops or weeds are permitted. All agricultural use shall be performed in accordance with good farmer-like practices.

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. Water Supply and Individual Sewage Systems. Individual sewage disposal systems to serve the Parcel shall be permitted on the Parcel. All individual sewage systems shall be constructed to Navajo County Health Department standards. No individual 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 appropriate permits. All sewage 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. Individual domestic wells must be installed in compliance with the rules and regulations of the Arizona Department of Water Resources, and local regulatory agencies.

N. Protective Screening. All clotheslines, equipment, propane tanks, service yards, wood piles and storage areas shall be kept screened by adequate planting or fencing so as to

conceal them from view of neighboring Parcels. 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 firearms may be discharged in any area of the Property.

## **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 Navajo 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.

The Association or its authorized agents may enter any Parcel in which a violation of these restrictions exists and may correct such violation at the expense of the Owner of such Parcel. Such expenses, shall be a Special Assessment secured by a lien upon such Parcel enforceable in accordance with the provisions of Section 3E & 3I herein.

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.

E. Term. The covenants, conditions, restrictions and servitudes of this Declaration, as the same may hereafter be amended in accordance with the terms hereof, shall remain in full force and effect for a term of twenty years from and after the date of recording of this Declaration, from which time they shall be automatically renewed and extended for successive periods of ten years each, unless terminated as of the end of such initial twenty years or any successive ten years within the six month period immediately preceding the expiration of such initial period, or any renewal period, by all instrument of termination executed and acknowledged by the Owners of at least two-thirds of the Parcels, included or incorporated within this Declaration, and recorded in the office of the Navajo County Recorder.

IN WITNESS WHEREOF, Ranchland Holdings II, LLC, an Arizona LLC has executed this Declaration of Restrictions by the undersigned this 18<sup>th</sup> Day of January 2017.

\_\_\_\_\_  
Ranchland Holdings II, LLC, an Arizona LLC  
2812 N Norwalk Suite 105  
Mesa AZ 85215

STATE OF ARIZONA    )  
  )ss.  
County of                            )

This instrument was acknowledged before me this 18<sup>th</sup> Day of January 2017 by Mark Reeb as \_\_\_\_\_ of Ranchland Holdings II, LLC, an Arizona LLC

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My Commission Expires: