

Recorded at the request of:
Pine Country Homeowners Association
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PINE COUNTRY HOMEOWNERS ASSOCIATION

**COMPILATION OF RECORDED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS AND AMENDMENTS**

THIS COMPILATION OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("DECLARATION") IS BEING CREATED BY THE PINE COUNTRY HOMEOWNERS ASSOCIATION ("ASSOCIATION") TO INCORPORATE ALL AMENDMENTS TO THE DECLARATION IN ONE DOCUMENT. THIS DOCUMENT CONTAINS THE TEXT OF THE DECLARATION AND ALL SUBSEQUENT AMENDMENTS.

RECITALS

A. The Declaration of Covenants, Conditions and Restrictions for The High Country Pines II, Unit I was recorded on February 24, 1998 at Fee # 1998-3138; First Amendment recorded on June 21, 1999 at Fee # 1999-12582; Second Amendment recorded on September 22, 1999 at Fee # 1999-20070, Third Amendment recorded on September 20, 2011 at Document No. 2011-14604, and Fourth Amendment recorded on the 28th day of October, 2014 at Document No. 2014-14533, all official records of Navajo County, Arizona ("Declaration"), and subjected the real property described in the Declaration to the Declaration (as amended) and required that the property be held, sold, used, and conveyed subject to the easements, restrictions, covenants and conditions, which run with the title to the real property subject to this Declaration.

B. The Declaration is binding on all parties having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the properties.

C. This Document is being recorded so that the Declaration and all amendments are set forth in one document.

D. This Document contains no changes to the recorded Declaration and any amendments thereto.

E. The previously recorded Declaration and amendments constitute the official Declaration for the Association. This document is being recorded solely for the Declaration and any amendments to be in one document.

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR**

THE HIGH COUNTRY PINES II, UNIT 1 AND 2
NAVAJO COUNTY, ARIZONA

WHEREAS, there were established Covenants, Conditions and Restrictions for Parcels 1 through 104, High Country Pines II, Unit 1, dated February 23, 1998 (hereinafter referred to as the "Declaration"), which Declaration was recorded in Fee #: 1998-3138 on February 24, 1998, in the office of the Navajo County, Arizona Recorder, and

WHEREAS, the Declaration was amended to include Parcels 105 through 178, High Country Pines II, Unit 2 by the "Amendment to the Declaration of Covenants, Conditions and Restrictions", dated June 8, 1999 (hereinafter referred to as the "Amended Declaration"), which Amendment was recorded in Fee # 1999 12582, dated June 21, 1999 in the office of the Navajo Court, Arizona Recorder, and

WHEREAS, it is necessary to clarify certain provisions of the Amended Declaration.

NOW, THEREFORE, the Declarants hereby declare that the real estate described above shall be transferred, held, sold, conveyed and accepted subject to this Declaration of Conditions, Covenants, and Restrictions, as amended (hereafter referred to as the "Second Amended Declaration"). The Declarants do hereby further declare that the following conditions, covenants, and restrictions and burdens, uses, privileges, charges and liens shall; (1) exist at all times hereafter among the parties; having or acquiring right, title or interest in any portions of the Property; (2) be binding upon and inure to the benefit of each Owner (as such term is hereinafter defined); and (3) run with the land subjected to this Second Amended Declaration, to be held, sold and conveyed subject thereto.

Declarants desire to provide conditions, covenants, and restrictions as hereinafter set forth to insure that the Property will continuously be maintained as an attractive setting for residential use with ample landscaped areas, to provide roadway ingress, egress and maintenance of the Common Areas available to the Owners (as such terms are hereinafter defined) to provide wastewater service to the Property, to encourage the erection of attractive, high-quality homes and appurtenant structures, to prevent haphazard and inharmonious improvement of the Property, and in general to provide adequately for a high quality improvement and development of the Property.

ARTICLE 1

DEFINITIONS

1.1 The following words when used in this Declaration shall have the following meanings:

A. “Property” shall mean and refer to that real property as described on Exhibit A hereto and set forth on the Subdivision Plat, Exhibit B hereto.

B. “Association” shall mean and refer to the Pine Country Homeowners Association, an Arizona nonprofit corporation, its successors and assigns or any or all of its rights under this Declaration. In the context of any specific action or responsibility, Association shall also mean the Board of Directors of the Pine Country Homeowners Association, or the Architectural Committee established herein.

C. “Owner and Member” shall be synonymous and shall mean and refer to the holder of the fee simple title to a Lot as shown from time to time in the property records of the office of the Navajo County Recorder, Arizona; provided, however, “Member/Owner” shall also include the holder of equitable title to any Lot, including a purchaser under a contract for conveyance of real property, for which legal title is held of record by another person; provided, however, any person holding title as security shall not be deemed a “Member/Owner.”

D. “Common Area” shall mean those areas within the Property as described on Exhibit B hereto, which Common Area is owned by the Association and maintained for the common use and enjoyment of the Owners. The Common Areas shall include all improvements on the real property so described.

E. “Lot” shall mean a contiguous area within the Property held by an Owner which area is either (i) a single Lot or (ii) more or less than a single Lot and described in a recorded instrument or instruments whether or not acquired at one time. In the event a Lot is split into smaller parcels and sold or conveyed to a third party, that parcel shall thereafter be considered a separate Lot for purposes of this Declaration.

F. “Street” shall mean and refer to any existing or proposed, dedicated or to be dedicated roadway and any private roadway which provides vehicular access to two or more Lots.

ARTICLE 2

GENERAL RESTRICTIONS

2.1 Uses Allowed.

A. The Property shall be used for single family residence purposes not contrary to the zoning laws and regulations of Navajo County, Arizona, applicable to the Property. No trade or business may be conducted on any Lot, except that an Owner or other resident may conduct a business activity on a Lot so long as (i) the existence or operation of the business activity is not

apparent or detectable by sight, sound or smell from outside the structure; (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Property; (iii) the business activity does not involve persons coming on to the Lot or the door-to-door solicitation of Owners or other residents of the Property; and (iv) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other Owners, as may be determined from time to time in the sole discretion of the Association. The terms “business” and “trade” as used in this Section shall be construed to have ordinary generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended or does generate a profit; or (iii) a license is required for such activity. The leasing of the Lot by the Owner thereof shall not be considered a trade or business within the meaning of this Section.

B. Tracts A, B and C identified on the plat of the Property are hereinafter referred to as “Common Areas” and will be owned by the Association and shall be for the common use and enjoyment of the Owners. There is hereby reserved to the Declaration the right to create easements by grant, reservation or otherwise with respect to the Common Areas or portions thereof. A perpetual easement is hereby reserved for and granted; to Lots 1 through 178, and the Owners thereof, for ingress and egress to and from said Lots, to the Declarant, the Association, and all public service providers for the purpose of constructing, operating and maintaining any and all electric, gas, water, wastewater, telecommunication utilities; and to the Lots for ingress and egress for garbage and refuse collection, and for emergency service vehicles, such easement being over, under and upon the streets shown on the plat and identified to be dedicated to Navajo County, Arizona, for public use. Nothing herein shall be construed to constitute a dedication of the said easements to the public.

Tracts A, B and C as identified on the plat and hereinafter referred to as Common Areas will be owned by the Owners of the Lots through the Homeowners Association, and shall be reserved for the use and enjoyment of the Owners. There is hereby reserved to the Declarant and subsequently to the Homeowners Association the right to create easements by grant, reservations, or otherwise, with respect to all the Common Areas or portions thereof. However, any change will necessitate Board of Supervisor action to amend the plat of record.

C. Declarant’s Exemption. At any time during which Declarant owns a Lot subject to this Declaration, 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 or sales program.

2.2 Architectural Control.

A. The Association may establish an Architectural Committee (sometimes hereinafter referred to as the “Committee”) composed of not less than three or more than five individuals, representing the Owners of the lots. Each of said individuals must be an Owner (or part owner) of a different lot in the development. A corporate Owner may designate one office to serve on the Committee for each Lot owned. In the event of death or resignation of any member of the Committee or the creation of a vacancy on the Committee for any reason, the remaining member(s),

and/or the Board of Directors, in the Board of Directors' discretion, shall have the right and power to name additional members of the Committee to fill any vacancy. The Committee or its designated representative shall have full authority to approve such design, material, location, elevation, alteration or other improvement herein provided, within thirty (30) days after proposed plans, specifications and plot plan have been submitted to it (and a written receipt shall have been given therefor). No member of such Committee or its designated representative shall be entitled to any compensation for services performed pursuant to this paragraph. Architectural Committee members shall be appointed and removed (with or without cause) by the Board of Directors. If the Board of Directors does not establish an Architectural Committee the Board of Directors shall have the authority to act as the Architectural Committee. Either the Board of Directors or the Architectural Committee shall have the authority to adopt, amend, or repeal Architectural Guidelines. In the event an Architectural Committee is established, a Board member shall be the Committee Chair. The address of the Architectural Committee to which all notices are to be given, which can be changed from time to time by the Architectural Committee and/or Board of Directors is as follows:

PineCountryHOA@gmail.com

This address may be changed from time to time by notice to each Lot Owner.

B. No Lot leveling, excavation, grading, residence, outbuilding, fence or wall, or other improvement or installation, shall be commenced, erected, placed, or altered on any Lot, until the plans and specifications therefore, showing the nature, kind, shape, materials, floor plans, and locations shall have been submitted to and approved in writing by the Architectural Committee and a copy thereof is finally approved and lodged permanently with the Committee. Anywhere the Board and/or Architectural Committee is required to respond 'in writing' as used throughout this Article, the Board and/or Architectural Committee shall have the right to send written communication by e-mail communication.

Prior approval for landscaping and planting is only required if the landscaping and planting is being done in conjunction with building construction or if the landscaping and planning includes a grade or elevation change which may including adding or installing berms. The Architectural 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 the Property, or 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. Any Owner requesting the approval of the Architectural Committee shall also submit to the Architectural Committee any additional information, plans and specifications which the Architectural Committee may request. The written approval by the Architectural Committee of any construction, installation, addition, alteration, repair, change or other, work pursuant to this Section shall not be deemed a waiver of the Association's right to withhold approval of any similar construction, installation, addition, alteration, repair, change or other work, subsequently submitted for approval. In the event that the Architectural Committee shall deny a request, the Owner shall have the right to appeal the decision to the Board of Directors within 15 calendar days from written denial of the request. The Board of Directors shall have the right to develop the procedure for appeal. A majority vote of the Board of Directors voting at the next scheduled Board meeting shall have the right to overturn the

decision of the Committee. The Board's written decision of the appeal shall be delivered to the Owner within 10 calendar days after the appeal decisions are made.

C. Upon receipt of approval from the Committee and the commencement of any construction or alteration approved by the Committee, such work shall be diligently prosecuted so that the Lot shall not remain in a partly finished condition any longer than is reasonably necessary. In any event, all improvements on any Lot shall be fully completed no later than one year from the commencement of the work on such Lot, excluding any period which completion is impossible, impractical or hazardous due to strikes, fires, floods, war, national emergencies, national calamities or other supervening forces beyond the control of the Owners of such Lot.

D. Any charge, deletion or addition to the plans and specifications approved by the Committee must be approved in writing by the Committee.

E. The Committee shall have the right to charge a fee for reviewing requests for approval of any construction, installation, alteration, addition, repair, change or other work pursuant to this Section, which fee shall be payable at the time the application for approval is submitted to the Committee.

F. All improvements constructed on Lots shall be of new construction, and no buildings or other structures shall be removed from other locations onto any Lot.

G. The Committee shall have the exclusive right to grant approvals required by the Declaration and to waive or vary the Restrictions in particular respects whenever in the opinion of the Committee such waiver or variance will not be detrimental to the general intent and purpose of the Declaration. Notwithstanding the foregoing or any other provision of this Declaration, the Committee's right to waive or vary the Restrictions may be exercised with respect to a particular Lot or Lots rather than all of the Property so that any such waiver or variance may apply to such Lot or Lots as the Committee may determine in its discretion.

H. Any Owner purchaser, encumbrance or tenant having or acquiring in good faith for value an interest in a Lot may rely upon any instrument of record signed by the Committee, purporting to grant an approval or to waive or vary the Restrictions in particular respects.

I. The approval required of the Committee pursuant to this Section shall be in addition to, and not in lieu of, any approvals or permits which may be required under any federal, state or local law, statute, ordinance, rule or regulation.

J. The approval by the Committee of any construction, installation, addition, alteration, repair, change or other work pursuant to this Section shall not be deemed a warranty or representation by the Committee as to the quality of such construction, installation, addition, alteration, repair, change or other work or that such construction, installation, addition, alteration, repair, change or other work conforms to any applicable building codes or other federal, state or local law, statute, ordinance, rules or regulation.

K. Any new construction for the main residential structure must be completed within one year from the date of written approval. Provided however, a written request for a six month extension to complete construction may be submitted to the Board of Directors prior to the

expiration of the initial one year construction period. The Board of Directors shall have the authority to approve or deny said request.

2.3 General Restrictions. The use of all Lots shall conform to the Restrictions of this Declaration and with the rules, regulations, codes, ordinances and laws of each governmental agency having jurisdiction over the Property. In addition, and notwithstanding the foregoing, there shall not be permitted any activity or use which will be offensive to the Property by reason of odor, fumes, dust, smoke, noise, glare, heat, sound, vibration, electromechanical disturbances, electromagnetic disturbances, radiation or danger of fire or explosion, and no use of a Lot shall be permitted which will result in the discharge of toxic matters into any sewer or septic system serving the Property. There shall be maintained on each Lot only those improvements which have been approved for the Lot by the Association in accordance with the provisions of this Declaration, and no alterations, additions or changes (including painting) shall be made or done to the improvements on the Lot, except as approved by the Association.

2.4 Additional Restrictions.

A. No dwelling structure whatsoever, other than one (1) single family private residence of not less than 1,200 livable square feet (exclusive of carports, garages, breezeways, patios, terraces, and porches) and a garage of not more than three (3) cars shall be erected, placed or permitted to remain on any of the Lots. All Lots are expressly restricted against the residential use of mobile homes, manufactured homes, modular homes, house trailers, RV's, campers, and no camping shall be allowed on any Lot.

B. No old building shall be moved from any other location onto any of said Lots. No store, office, club, hospital, sanitarium, or other place for the care and treatment of the sick or disabled, physically or mentally, nor any theater, saloon, or other place of entertainment, nor any church, shall ever be erected or permitted on any of the Lots.

C. No propane tanks, building or other permanent structure (other than landscaping, walls, fences, or sidewalks as approved by the Architectural Committee) shall be erected or permitted on any of said Lots in contravention to the setback lines established on the plat of record of said Lots or nearer than fifteen (15) feet from any property line or such other distance as is reasonably established by the Architectural Committee hereinafter established or by any municipal or county regulations.

D. No exterior signs or billboards other than the following shall be allowed within the Association without the written permission from the Association:

a. No more than two residential nameplates and one address sign which combined total of the residential nameplates may not exceed six (6) square feet in area shall be erected or maintained on any Lot;

b. One 'for sale' sign which may be no larger than an industry standard for sale sign (not to exceed 18 x 24 inches) and a sign rider (not to exceed 6 x 24 inches) located on an Owner's Lot;

c. One 'for rent' sign which may be no larger than an industry standard for sale sign (not to exceed 18 x 24 inches) located on an Owner's Lot;

d. One 'open house' sign which may be no larger than an industry standard for sale sign (not to exceed 18 x 24 inches) located on an Owner's Lot;

e. Political signs earlier than 71 days before the day of an election and later than 3 days after an election day and the signs shall not exceed an aggregate total of nine square feet located on an Owner's Lot;

f. Cautionary signs regarding children in accordance with the Planned Community Act. The signs are to be professionally manufactured or produced;

g. Security signs not to exceed two square feet on an Owner's Lot;

h. Any other sign that must be permitted in accordance with applicable State or Federal Law which may include signs required during period of initial construction.

E. No animals, reptiles, fish or birds of any kind shall be raised, bred or kept on any Lot; provided however that a reasonable number of dogs, cats, fish or birds may be kept on a Lot as household pets if such pets are not a nuisance or threat to other Lot Owners and are not kept, bred or maintained for commercial purposes.

F. Except for vehicles belonging to persons doing work on the premises during daylight hours or at other times during emergencies, trucks, buses, vans, trailers, boats, antique cars, campers, motor homes and similar type vehicles or equipment, shall not be parked in the street, driveway or in the yard of any Lot so as to be visible from the street, but shall be kept or parked only in a garage or otherwise hidden from view from another Lot or the Common Areas, unless written approval is obtained by the Board of Directors with respect to some other place and/or manner of keeping or parking such vehicles or equipment. Except for antique cars, this section does not apply to passenger automobiles, all-terrain vehicles, flatbed trailers used only for recreational vehicle transport that do not exceed 20 feet, station wagons and/or pickup trucks and vans used primarily for personal transportation provided such vehicles shall not be parked in the streets except temporarily. The Board of Directors shall have the authority to develop Rules and Regulations regarding the parking of Recreational Vehicles; pursuant to the Rules developed by the Association the parking of Recreational Vehicles may be prohibited or allowed at designated times. If the Architectural Committee determines that a vehicle (including, but not limited to, a motor bike or motorcycle) is creating loud or annoying noises by virtue of its operation within the development, as to be detrimental to any other property in the vicinity thereof or to the occupants of such other property. Such determination shall be conclusive evidence that such operation of the vehicle is a nuisance to the neighborhood and such operation shall, upon notice by the Architectural Committee or Board of Directors to the Owner or operator thereof, be prohibited within the properties. The Architectural Committee and Board of Directors shall have the sole authority in determining whether a nuisance exists.

G. No clotheslines, equipment, service yards, wood piles other than those approved by the Declarant or Architectural Committee shall be kept or maintained on any Lot.

H. No washing machine or other appliance, and no machinery or tools which might detract from the appearance of a residence shall be exposed to view, and the same shall be kept within an enclosed building or the inside of a residence.

I. All driveways shall be completed with a gravel material or concrete, brick or such other material as is approved by the Architectural Committee. There shall be no ingress or egress from or to a County road or subdivision street from subdivision lots until proper culverts are installed to County specifications. A County Highway Department permit shall be required for all access to a County Highway and/or roadway accepted for maintenance by the County for egress and ingress from subdivision Lots and shall be obtained prior to any construction and/or installation of same. The permit will show the egress and ingress requirement and will include the specifications for driveway drainage culverts to subdivision Lots, said culverts to be provided by the Owner, and may be installed by the Navajo County Engineering Department. The required permit(s) may be obtained from one of the County Highway Departments of the County Engineer's Office.

J. No unlawful, offensive, or obnoxious conditions shall be carried on or maintained on any Lot, nor shall anything be done or permitted thereon which may be or become a nuisance or annoyance to the neighborhood. There shall not be placed, stored, kept, allowed or maintained upon any Lot any junk, trash, refuse, rubble or other unsightly condition or excessive weed growth.

K. All building exteriors must be completed within twelve (12) months from the issue date of the building permit.

L. All buildings, and other structures erected or installed within said premises shall be of new construction. All roofing and siding materials shall be subject to approval by the Declarant or Architectural Committees. Prior to construction, a building permit must be obtained from the Navajo County Building Department.

M. No power generators, propane tanks shall be installed in a manner that will disturb the surrounding neighbors and/or the Property and must have approval by the Architectural Committee prior to installation. The placement of antenna or satellite dish may be done in accordance with Federal Law with the approval of the Architectural Committee. All propane tanks must be buried.

N. All garbage or trash containers and other such facilities must be hidden from view from the street fronting on the property, except on garbage and trash collection days.

O. No Lot may be divided or re-subdivided into smaller Lots or conveyed or encumbered in less than its full original dimensions and description except those portions which may be dedicated or conveyed for public utility purposes.

P. No changes in elevations of the land shall be made except as approved by the Architectural Committee. Walks and driveways should be situated so as to minimize disturbance to the native vegetation. Any other site grading, excavation or removal of trees shall require the express written consent of the Architectural Committee.

Q. No incinerators shall be kept or maintained on any Lot. Open fires or brush burning of any kind are expressly prohibited. Lot Owners shall be individually, jointly and severally liable and fully responsible for any and all damages resulting within High Country Pines for any of these violations or any other fire losses. All fireplaces shall be equipped with fire arresters.

R. All exterior lighting shall be installed in a manner that will contain the light on- site. Fixtures must be shielded to control the direction of light and to not be offensive to the Owner of any other Lot. All such lighting shall be subject to approval by the Architectural Committee.

S. Motorized vehicles are not allowed in the common areas. All-terrain vehicles can be driven on Association roadways provided that the all-terrain vehicle is licensed and insured in accordance with Arizona law; additionally, all-terrain vehicles are not to be driven on common areas, vacant property, or property owned by other Association owners.

2.5 The Association or its successors in interest, shall have the right to waive any provision of Article II, which it deems in the best interest in the development of the Property.

ARTICLE 3

THE ASSOCIATION

3.1 Creation of the Association. The Declarants have formed the Association to assist in the management, controlled use, and enjoyment of the Owners, and to enhance the value of the Property. The Bylaws of the Association shall reflect the conditions of this Article III with respect to membership and voting.

3.2 Membership. Every person or entity, including Declarants who are record owners of a fee interest in any portion of the Property shall be a member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member.

3.3 Articles of Incorporation and Bylaws. When the Association is created, the Association shall be governed pursuant to the Articles of Incorporation and Bylaws. Such Articles of Incorporation and Bylaws shall be deemed to be incorporated herein and made a part hereof and shall be deemed to run with and bind the land.

3.4 Voting Rights. Every Owner of a Lot shall be a Member of the Association; such membership shall be appurtenant to and may not be separated from ownership of any Lot. There shall be one class of membership. All Owners shall be members and shall be entitled to one vote for each Lot owned. If a Lot is owned by more than one individual or entity, the vote for any such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

3.5 Duties and Powers. The Association is charged with the duties and invested with the powers pre-described by law and as set forth in the Articles of Incorporation Bylaws, and Rules and Regulations/Architectural Guidelines of the Association and in this Declaration. The provisions of this Declaration shall control in the event of any conflict with the Articles of Incorporation or The Bylaws, or Rules and Regulations/Architectural Guidelines of the Association, but any provision not inconsistent with law or with this Declaration contained in any of the above referenced documents and relating to the conduct of the affairs of the Association or the rights and powers of its directors, officers, employees, agents and members shall be valid. Without limiting the generality of the foregoing, the Association shall have the following powers and be charged with the following duties:

A. To acquire, own, operate, maintain, manage, supervise, control and regulate the use of the common areas, and to maintain, repair and replace as needed or desirable the improvements and equipment on or related to the common areas.

B. To levy and collect the annual and special assessments in the manner set forth in this Declaration and to authorize and make expenditures of Association funds as described in this Declaration;

C. To pay all taxes and assessments or similar levies assessed against any property owned by the Association and any income or other taxes imposed upon or assessed against the Association;

D. To maintain such policies of casualty, liability or other insurance as deemed necessary or desirable to further the purposes of and protect the interest of the Association, its members, the members of the Board of Directors and the Officers of the Association;

E. To purchase, lease or rent or hire any materials, equipment, supplies, labor, service or other property or items which in the discretion of the Association shall be necessary, proper or desirable to carry out the Association's powers and duties hereunder; and

F. To enforce the provisions of this Declaration by all appropriate means, including without limitation the expenditure of funds to employ legal counsel to pursue collection of delinquent assessments;

G. To provide the wastewater service necessary for the domestic needs of the Property, and for that purpose to (i) acquire assets from the Declarants or others necessary to provide domestic wastewater service to the Property; (ii) contract for the wastewater services as required by the Owners; (iii) own and operate any and all treatment, transmission, collection and disposal facilities (within or without the boundaries of the Property) necessary to provide that service; (iv) acquire, own and operate any on-site transmission (including lift stations) and collection facilities for the provision of such service to any Lot; (v) contract with qualified persons or companies to manage, operate and maintain the wastewater related facilities owned by the Association; and (vi) enter into contracts pursuant to Article III, Section 3.10, with Owner(s) and Developer(s) under which Owner(s) and Developer(s) advance funds necessary for capital additions or improvements associated with the provision of wastewater service; provided, however, that in the event the Arizona Corporation Commission attempts to exercise its jurisdiction over the Association to declare or adjudicate the Association as a public service corporation, then and in that event, the Association may take whatever action is necessary, including but not limited to sale and disposition of all wastewater related facilities and assets, to preclude the Commission's regulation of the Association.

H. To provide wastewater service to the Common Area, including any Association employee housing that may be located on the Common Area. The cost of such service will be borne by the Association.

I. To do all other things authorized by law and necessary to conduct the business of the Association.

3.6 Limitation of Liability. No member of the Board of Directors of the Association or any committee of the Association, or any office of the Association, shall be personally liable to any Owner, or to any other person, including without limitation, the Association, for any damage, loss or prejudice of any kind suffered or claimed on account of any act, omission, error or negligence of the Association, the Board or any officer, representative or employee of the Association or any other committee, provided that such person has, upon the basis of such information as may be possessed by him or her acted in good faith without willful or intentional misconduct.

3.7 Power of Attorney. Whenever the Association is granted rights, powers, privileges or duties in this Declaration, the Board of Directors shall have the authority to act for the Association in accordance with the Association's Articles of Incorporation and Bylaws. Further, unless otherwise specifically restricted by the provisions of this Declaration, wherever the Association is empowered to take any action or do any act, each Owner hereby constitutes and appoints the Association as attorney-in-fact for the purposes of taking such action or doing such acts including but not limited to executing, acknowledging and delivering any instrument or document necessary, appropriate or helpful for such purposes. Each and every person now or hereafter becoming an Owner acknowledges that this power of attorney is irrevocable and coupled with an interest and by the acceptance of a deed for a Lot or by succeeding in any other manner to the ownership of a Lot, each Owner shall be deemed and construed to have ratified and expressly granted the above power of attorney.

3.8 Creation of Lien and Personal Obligation of Assessments. Each Lot Owner, by acceptance of a deed or contract for purchase therefore, covenants and agrees to pay to the Association and each subsequent Owner of any Lot, (whether or not expressly stated in any deed conveying such Lot, is deemed to covenant and agrees to pay to the Association, the Annual Assessments and the Special Assessments provided for herein. The Annual and Special Assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall constitute a charge on the land and shall be a continuing lien upon each Lot against which such assessments are made. Each assessment, together with any such interest and costs, shall also be the personal obligation of the Owner of the Lot at the time the assessment becomes due. The personal obligation for delinquent or then due assessments shall not pass to an Owner's successor unless expressly assumed in writing by such successor.

3.9 Annual Assessments. The amount of the Annual Assessments to be levied in each calendar year against each Lot shall be based upon the current and anticipated costs of exercising the Association's powers and performing the Association's duties and the future needs of the Association. The initial Annual Assessment shall be \$180.00 per year. The Board of Directors shall have full authority to propose in good faith a budget and determine the Annual Assessments, subject to being adopted and approved by the Association members as provided below. At least forty-five (45) days prior to the commencement of each calendar year, the Board of Directors of the Association shall prepare and mail to each Owner a budget describing the estimated costs and expenses to be incurred by the Association during the coming calendar year in performing its functions hereunder (including a reasonable allowance for overhead, replacement reserves and delinquent accounts) and the amount of the Annual Assessments based on such budget. The budget must be approved and adopted by members holding a majority of the votes present in person or by proxy at a duly called meeting of the Association. After a budget has been so approved and adopted by the Association, the Board of Directors of the Association shall determine the amount of the Annual Assessment to be assessed to the Owner of each Lot for the coming year. Until a

budget has been approved for any calendar year and the amount of the Annual Assessments established for such year, the Board of Directors of the Association shall continue to levy and collect Annual Assessments at the level of the previous calendar year plus an increase of not more than twenty percent (20%) as they be determined by the Board of Directors.

3.10 Special Assessments.

A. In addition to the Annual Assessments, the Board of Directors of the Association may levy, in any calendar year, a Special Assessment payable over not more than ten (10) years for the purpose of paying in whole or part the cost of any action or undertaking incurred or to be incurred by or on behalf of the Association pursuant to the terms of this Declaration and not paid for by the Annual Assessments, including without limitation, to defray any budget deficits.

B. The Association may as a condition precedent to a developer receiving wastewater service to any Lot within the development, require of the developer to enter into a Plant Expansion Agreement in which developer would pay all capital costs associated with the treatment plant capacity and appurtenant facilities necessary to serve the lots which the developer is developing.

C. The Association may as a condition precedent to the Owners of a specific Lot receiving wastewater service to that Lot, require that the Owner enter into a Wastewater Service Connection Agreement for the construction of certain treatment, transmission and collection facilities under which the Owners advance the cost of those facilities necessary to serve the Owners' Lot, plus those facilities that, in the sole opinion of the Association, are necessary to most effectively install, operate and maintain the wastewater facilities within the Property. Those facilities up to the Lot line shall become the property of the Association. Said Wastewater Service Connection Agreement will be administered as a Special Assessment against the Owner requesting wastewater service and is payable prior to the Association being obligated to construct, or authorize construction of, the wastewater facilities.

D. The Association shall, upon request of the Owner, install or cause to be installed, one and only one, collection line in each Lot, pursuant to Section 3.10.C. On or about the first of each month (or such other frequency the Association may establish), the Association, or its contract management person or company, shall bill each Owner receiving wastewater service as set forth below a Special Wastewater Service Assessment to each Owner receiving wastewater service. The Special Wastewater Service Assessment is due upon the presentation and delinquent five (5) days after mailing. In the event the Special Wastewater Service Assessment is not paid in a timely fashion, in addition to the "Nonpayment and Enforcement" provisions of Section 3.14, the Association retains the right to disconnect wastewater service to the Owner's Lot. If the Association is forced to terminate service, it shall further assess the Owner the cost the Association incurs for the disconnect/reconnect procedure.

E. Billing for the Special Wastewater Service Assessment is specifically authorized by these Declarations and shall be administered by the Association's Board of Directors consistent with the Bylaws, as amended from time to time.

F. In the event it is determined by the Board of Directors that it is in the best interest of the Declaration and the Owners that the Association not provide wastewater service to the Owners, but that said service can better be provided by another entity, then and in that event the Board shall discontinue all Special Wastewater Service Assessments authorized under this Section, provided,

however, that any obligation created hereunder are expressly assigned to and assumed by the entity that will provide the subject wastewater service. If not so assumed, such assessments will continue to fulfill any remaining obligation of the Association related to a wastewater service.

3.11 Proration and Assessment. Both annual and special assessments shall be prorated among the Owners and assessed against the Lots on a per Lot basis.

3.12 Time for Payment. The annual assessments for a calendar year shall be paid by each Owner in equal monthly installments in such other installments payable on such dates as the Association may elect. Special assessments shall be paid by each Owner in such manner and on such dates as the Board of Directors of the Association shall establish.

3.13 Certificate of Payment. The Association shall upon request of an Owner furnish a certificate in writing signed by an Officer of the Association setting forth the date to which annual and any special assessments and such Owner's Lot have been paid and the amount of any delinquency. A reasonable charge may be made for the issuance of the certificate. Any Owner, purchaser, tenant, or holder of an encumbrance may rely upon a duly issued certificate as conclusive evidence of payment of an assessment therein stated to have been paid or the amount of any delinquency as stated herein.

3.14 Nonpayment and Enforcement.

A. An assessment installment shall be delinquent if not paid within fifteen (15) days after its due date. Each delinquent installment shall incur a late payment penalty equal to the greater of Fifteen and 00/100 Dollars (\$15.00) or ten percent (10%) of the amount of the unpaid assessment. Additionally, the delinquent installment and the late payment penalty shall be subject to interest at an annual rate of eighteen (18%) percent until paid. If any assessment installment is not paid within five (5) days after becoming delinquent, the Association may, at its option: (i) commence legal proceedings against the Owner personally obligated to pay the same; or (ii) upon compliance with the notice provisions required by law or as set forth in Section 3.14.B, whichever is more stringent, foreclose the assessment lien created and imposed in Section 3.8. Accrued interest, late charges and all costs and expenses of enforcing the assessment lien, including without limitation, attorneys' fees, shall be added to the amount of such assessment and included in any judgment obtained thereon. Each Owner vests in the Board of Directors of the Association the exclusive right and power to maintain on behalf of the Association all actions to foreclose the Association's assessment lien against such Owner or other Owners for the collection of delinquent assessments.

B. No action shall be commenced to foreclose an assessment lien sooner than fifteen (15) days after the date a notice of delinquency is deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, addressed to the delinquent Owner at the address shown on the Association's ownership roll for such Owner and a copy thereof is recorded in the office of the Navajo County Recorder, Arizona. The notice shall recite a legal description of the affected Lot, the recorded Owner or reputed Owner thereof as shown on the ownership roll maintained by the Association and the amount of the delinquency.

C. In addition to all other legal and equitable rights or remedies, the Association may, at its option, bring an action at law against the Owner who is personally obligated to pay the delinquent assessment and/or to judicially foreclose the lien against the Lot in the manner provided by law for the foreclosure of real property mortgages, and there shall be added to the amount of such

assessment the interest due thereon and all costs and expenses, including attorneys' fees, incurred by the Association in collecting the delinquent assessment. In lieu of judicially foreclosing the lien, the Association, at its option, may foreclose such lien by proceeding under a power of sale as in the manner provided by law for a deed of trust, such power of sale being hereby granted to the Association as to each and every Lot for the purpose of collecting assessments. Each Owner vests in the Association the exclusive right and power to bring all actions to collect delinquent assessments and foreclose assessment liens. The Association shall have the power to bid on a Lot at foreclosure sale, and to acquire and hold, mortgage and convey the same.

D. Upon the timely curing of all defaults for which a notice of delinquency was filed by the Association, the Association shall record an appropriate release of such notice upon payment by the defaulting Owner to the Association of all such charges, interest, costs and expenses, (including reasonable attorney's fees) as may have accrued or been incurred in connection with the delinquency.

E. The rights and remedies of the Association set forth herein shall be in addition to and not in limitation of all other rights and remedies which the Association may have at law or in equity.

3.15 Subordination. The lien upon any Lot for annual and special assessments shall be prior to all other liens and encumbrances on a Lot except; (i) liens and encumbrances recorded before the recordation of the Declaration; (ii) any consensual mortgage or deed of trust on a Lot recorded before the date on which the assessment sought to be enforced became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot.

3.16 Commencement of Assessments. 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, the amount of the assessments shall be as determined by Declarant. The Declarant shall not be responsible for comparable assessments on each Parcel Owner by it. Declarant shall be responsible to provide labor, material and/or monies in sufficient amounts, not to exceed the amount of the normal Parcel assessment for each Parcel owned by it, if necessary in maintenance responsibilities. 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 each year adopt a budget and fix the amount of the regular assessment against each Parcel Owner, ideally, 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 on a monthly, semi-annual or annual basis. Assessments shall be enforceable even though not timely noticed or established.

ARTICLE 4

REGULATION OF IMPROVEMENTS

4.1 Maintenance of Property. In the event the Owner of a Lot fails to maintain his Lot(s) including the exterior of the improvements thereon and the yard and landscaping in a neat and clean condition, and generally in a manner satisfactory to the Architectural Committee and Board of Directors, the Association, through its officers, agents, employees and/or independent contractors shall have the right, and each Owner by agreeing to acquire a Lot expressly grants and assigns to

the Association, the right (subject to prior notice as herein below set forth), to enter upon such Owner's Lot and repair, maintain, rehabilitate and restore the other structures located thereon to the condition deemed satisfactory to the Association. The cost thereof shall be charged against and collected from the Owner of the Lot, the amount thereof to be paid by the Owner within thirty (30) days from the date of the invoice sent to the Owner, and said amount further shall be the personal obligation of the Owner. Prior to exercising the aforesaid right of restoration, the Association shall give written notice to the Owner of said Lot specifying the necessary repair, maintenance, rehabilitation or restoration to be undertaken, and granting the Owner thirty (30) days to accomplish the same. If at the end of said periods the work required to be performed has not been completed (or has been completed in a manner unsatisfactory to the Association), then the Association shall have the right, as above set forth, to make such repairs, maintenance, rehabilitation or restoration. Nothing herein contained shall be construed as granting to the Association any right to enter inside of any building or buildings located on a Lot without the express consent of the Owner thereof.

4.2 Regulation of Wastewater Service.

A. Service Subject to Regulation. The Association will provide wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. These Regulations include limitations on the type of wastewater that may be discharged onto the system by any person directly or indirectly connected to the plant.

B. Wastes Limitation. The Association shall in its By-laws or Policies and Procedures as duly adopted, establish permissible limits of concentration for various specific substances, materials, waters, or waste that can be accepted in the sewer system, and specify those substances, materials, waters, or waste that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Association. No person shall discharge, or cause to be discharged, any new sources of inflow into the sanitary sewer including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or unpolluted industrial process waters.

C. Inspection and Right of Entry. Inspections of every facility that is involved directly or indirectly with the discharge of wastewater to the Plant may be made by the Association as it deems necessary. These facilities shall include but not be limited to sewers; sewage pumping plants, all processes, devices and connection sewers; and all similar facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Association shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Plant at all reasonable times including those occasional by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or Owner at the written or verbal request of the Association and shall not be replaced. No person shall interfere with delay, resist or refuse entrance to an authorized Association representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Plant. Adequate identification shall be provided by the Association for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or inspecting the work of any contractor.

D. Termination of Service for Violation of Wastewater Rules and Regulations. The Association is authorized to discontinue wastewater service to any person connected to its sewer system who violates the Association's wastewater rules, regulations, policies or procedures.

ARTICLE 5

EASEMENTS

5.1 Easements. Easements for installation and maintenance of roadways, utilities, drainage facilities and landscaping are reserved as recorded on the documentation conveying each Lot. Within these easements no structure or other building shall be placed or permitted to remain which may damage or interfere with the use of the easement.

ARTICLE 6

GENERAL PROVISIONS

6.1 Severability. If any clause, phrase, sentence, condition or other portion of this Declaration shall be or become invalid, null and void or for any reason or shall be held by any court of competent jurisdiction to be so, the remaining portions shall remain in full force and effect.

6.2 Enforcement. The covenants, conditions, and restrictions herein set forth shall operate as covenants running with the land into whosoever hands the property, or any part thereof, shall come, and shall be enforceable at the suit of any and every Owner, lessee or sub-lessee of property, the Declarant(s) or the Association. The persons entitled thereto shall have the right to sue for and obtain injunctive relief and/or damages, including attorney fees. The failure to enforce any of the covenants, conditions or restrictions at any time shall in no event be deemed to be a waiver of the right of enforcement thereafter at any time. The violation of these covenants, conditions and restrictions shall not defeat nor render invalid the lien of any mortgage or deed of trust made in good faith and for value.

6.3 Notice to the Association. Notice to the Association, or requests for approval of plans, specifications and location of buildings or signs shall be in writing and delivered or mailed to the Association at its principal place of business shown by the records of the Corporation Commission of Arizona, or at any other location designated by the Association.

6.4 Notices to Owner. Notice to any Owner of a violation of any of these restrictions or any other notice herein required shall be in writing to the Owner at the address shown on the tax rolls of Navajo County, Arizona, or the address of Owner as shown on the deed as recorded in the Public Records of Navajo County, Arizona.

6.5 Rights of Mortgagees. None of the covenants, conditions, and restrictions herein contained shall be deemed in any way to reduce the security or affect the validity of any mortgage or deed of trust now or hereafter executed upon the land subject to this Declaration, and if any portion of said property as sold under foreclosure of any mortgage or under the provisions of any deed of trust, or is transferred to the holder of any such mortgage of deed of trust by deed in lieu of foreclosure, then any purchaser at such sale, or such transferee, and his successors and assigns,

shall hold any and all property so purchased or transferred subject to all of the provisions of this Declaration.

ARTICLE 7

DURATION, AMENDMENT AND TERMINATION

7.1 Duration. The covenants, conditions and restrictions shall continue and remain in full force and effect at all times with respect to all the Property and each part thereof now and thereafter made subject thereto (subject, however, to the rights to amend, terminate, waive or vary as provided in this Declaration) for a term of ten (10) years from the date this Declaration is recorded with the Navajo County Recorder, and thereafter they shall be deemed to have been automatically renewed and extended for successive periods of ten (10) years each, for so long thereafter as may be now or hereafter permitted by law, unless revoked or amended as herein provided.

7.2 Amendment and Termination. Prior to the expiration of the Class B Voting Rights, no amendment or termination of this Declaration shall be adopted without the approval of the Declarant. Thereafter, the Restrictions or any provision contained in this Declaration may be amended or terminated at any time and from time to time as to all of the Property or as to any portion thereof with the written consent of the Owners of fifty-one percent (51%) of the Lots within the Property compared to the total Lots within the Property subject to the Restrictions, with each Owner receiving one (1) vote for each Lot owned.

ARTICLE 8

DEVELOPMENT, ANNEXATION AND SUBSEQUENT CONVEYANCE

8.1 Development. The Property may be developed in one or more phases as defined by the Declaration.

8.2 Annexation. Declarant hereby expressly reserves that the right to annex under this Declaration other property designated by the Declarant without the consent of any Owner, mortgagee or any other party with an interest in land covered by this Declaration. The annexation of any or all of the Annexable Property shall be accomplished by the Declarant recording with the County Recorder of Navajo County, Arizona, an Amendment to this Declaration which subjects the annexed property to the Declaration, which established the land use of the annexed property and which includes the legal description of the property being as annexed. An Amendment annexing property as permitted hereunder may contact such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different intended character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such document revise, modify or add to the covenants, conditions or restrictions established by this Declaration and applicable to property previously covered by this Declaration. Such changes may only be made by Amendment.

8.3 Subsequent Conveyance. The Owner of a Lot may, at Owner's discretion and subject only to the laws of Arizona sell all of a Lot to a third party. The subsequently conveyed Lot shall be subject to all provisions of this Declaration.

ARTICLE 9

MISCELLANEOUS

9.1 Mandatory Membership. No Owner of any interest in any Lot shall have any right or power to disclaim, terminate or withdraw from his membership in the Association or any of his obligations as such member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such Owner shall be of any force or effect for any purpose.

9.2 No Dividends. The Association, being a non-profit corporation, shall not distribute to its members any sums in the nature of dividends.

9.3 Books and Records. The books and records of the Association to be kept by the Board of Directors thereof shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, or any holder of a first mortgage lien on a Lot at such reasonable time or times during normal business hours as may be requested by the Owner or by the holder of said first mortgage lien.

9.4 Governing Law. This Declaration and all of the Restrictions shall be governed by and construed in accordance with the laws of the State of Arizona.

- By attesting to this Document, the undersigned certifies this Document is a compilation of the Association's recorded Declaration and any amendments thereto.
- In the event of any inconsistency or conflict between the provisions of this Document and the Declaration (as amended) the terms of the Declaration control.

PINE COUNTRY HOMEOWNERS ASSOCIATION, an Arizona Non-Profit Corporation

BY: _____(Signature)

_____(Print Name)
ITS: President

STATE OF ARIZONA)
) ss.
COUNTY OF NAVAJO)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by **Peter Jacobs**, the President of Pine Country Homeowners Association, an Arizona non-profit corporation, on behalf of the non-profit corporation.

My commission Expires: _____

Notary Public