



DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
FOR FAIRWAY IN THE PINES COMMUNITY

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR FAIRWAY IN THE PINES COMMUNITY

This Declaration of Covenants, Conditions, and Restrictions is made by Phantom Ranch Development, LLC, as “Declarant” with reference to the following:

A. As of the date hereof, Declarant is the owner of fee title to Property, described as Lots 1 through 35 of Fairway in the Pines Community as recorded in _____ of the Country Recorder, Coconino County, Arizona.

B. Declarant intends by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners, as hereafter defined, of property within the Property. Declarant desires to provide a reasonable procedure for the overall development of the Property, and to establish a method for the administration, maintenance, preservation, use, and enjoyment of the Property.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, leased, encumbered, used, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of the Property and which shall run with the Property and be binding on all parties having any right, title, or interest in said Property or any part thereof, and their heirs, personal representatives, successors, and assigns, and shall inure to the benefit of each Owner of all or party thereof.

No provision contained herein shall be construed to prevent or limit Declarant’s right to complete development of the Property and construction of improvements thereon, nor Declarant’s right to maintain model homes, construction, sales or leasing offices, nearby parking areas or similar facilities on the Property, nor Declarant’s right to post signs incidental to construction, sales or leasing, nor Declarant’s right to do anything that is reasonably necessary and proper for the full development of the Property.

ARTICLE 1

DEFINITIONS

Unless the context clearly indicated a different meaning, the following terms as used in this Declaration are defined as follows”

1.1 “Association” shall mean Fairway in the Pines Community Property Owner’s Association, Inc. an Arizona non-profit corporation, its successors and assigns, as referred to in Article 2 of this Declaration.

1.2 “Bona Fide First Mortgage” shall mean any realty mortgage or deed of trust made in good faith and for value and property executed and recorded so as to create a lien on any Lot or Lots that is prior to the lien of all realty mortgages or deeds of trust.

1.3 “Committee” shall mean the Architectural Committee provided for in Article 4 of this Declaration.

1.4 “Declarant” shall mean Phantom Ranch Development, LLC, an Arizona limited liability company.

1.5 “Declaration” shall mean this Declaration of Covenants, Conditions, and Restrictions for Fairway in the Pines Community, as it may be amended from time to time.

1.6 “Improvement” shall mean the buildings, garages, roads, driveways, parking areas, fences, walls, docks, hedges, plantings, planted trees and shrubs, and all other structures or landscaping improvements of every type and kind.

1.7 “Lot” or “Lots” shall mean the lots in the subdivision either individually or collectively, as the case may be, of real property designed as a lot on any recorded Subdivision Map with respect to the Property. A Lot shall be deemed “improved” when a single-family residence has been completely constructed thereon. All other Lots shall be deemed “undeveloped” lots.

1.8 “Member” shall mean and refer to every person and/or entity who holds membership in the Association pursuant to Article 2 hereof.

1.9 “Mobile Home” shall mean 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.

1.10 “Owner” shall mean and refer to the record Owner, whether one or more persons or entities, of fee or equitable or beneficial title in fee simple (or legal title if same has merged) to any Lot. Owner shall include the purchaser of a Lot under an executory contract for purchase. The foregoing definition does not include persons or entities who hold an interest in any Lot as security for the performance of an obligation, or lessee or tenant of an Owner.

1.11 “Plat”, “Subdivision Map”, or “Subdivision Plat” shall mean a recorded map or plat covering any or all the Property referred to herein, as may hereafter be amended.

1.12 “Property”, “Properties”, “or “Fairway in the Pines Communities” shall mean the real property described herein, or any part thereof.

1.13 “Public Purchaser” shall mean any person or legal entity who becomes an Owner of any Lot within the Properties.

1.14 “Single Family” shall mean a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) persons not all so related, together with their domestic servants, who maintain a common household in a dwelling.

1.15 “Single Family Residential Use” shall mean the occupation or use of a single-family residence in conformity with this Declaration and the requirements imposed by applicable zoning laws or other state, county, or municipal rules and regulations.

1.16 “View of Neighboring Lots” shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing at ground level on any part of such neighboring property.

ARTICLE 2

PROPERTY OWNERS ASSOCIATION

2.1 Association Created. There is hereby created the Fairway In The Pines Community Property Owners Association. The Association shall be primarily responsible for matters concerning the subdivision development. These matters shall be primarily, but not wholly, limited to the enforcement of any and all of the deed restrictions, to maintain any easements as shown on the Subdivision Plat, as determined to be necessary by the Association, and to maintain an Architectural Committee in accordance with the provisions of Article 4 of this Declaration. The Association is empowered by its Board of Directors (“Board”) to conduct any other activities that are deemed important for the betterment of the subdivision development. The Association shall be operated and conducted on a strictly cooperative and non-profit basis.

2.2 Membership. Each and every Owner (including Declarant) in accepting a deed or contract for any Lot, whether or not it shall be so expressed in such deed or contract, automatically becomes a Member of the Association, and agrees to be bound by such rules and regulations, as may from time to time be established by the Association. Membership shall be appurtenant to and may not be separated from ownership of the Lot. 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 Lot, including intestate succession, testamentary disposition, foreclosure of a mortgage, or such other legal processes as now in effect.. Each Lot Owner as a Member shall have such voting rights as set forth in this Declaration. Any transfer of ownership of a Lot shall operate automatically to transfer said

membership to the new Owner thereof. Any classes of Membership shall be as set forth in the Bylaws of the Association, as the same may be amended.

2.3 Entry. In furtherance of its purposes, which are generally as set forth above, the Association shall have the right to enter upon a Lot, if reasonably necessary, in order to accomplish its purpose.

2.4 Meetings. It shall be the duty of the Board to hold an annual meeting of the Owners of record on a date set forth by the Board for the purpose of electing or re-electing a Board of Directors for the forthcoming year and also to conduct any other business that may arise concerning Fairway In The Pines Community.

2.5 Powers. The Association shall have the power to borrow and encumber its assets and, in all respects, shall have the powers necessary to carry out its purposes, whether or not specifically set forth herein, including the power to enter into contracts with third parties to perform all or part of its functions, and to hire its own employees to do so.

2.6 Assessments. Each Owner, by acceptance of a deed to a Lot or otherwise, agrees and is deemed to covenant and agree to pay to the Association: (a) regular assessments for normal maintenance, repair, and reserves to maintain all common areas and Tracts A, B, and C improvements, along with Association insurance and operating costs; (b) special assessments for capital improvements with such assessments to be established by the Association; and (c) individual repair and maintenance assessments, such assessment to be established and collected as hereinafter provided. The regular and any special assessments, late payment penalties, and charges, if any, together with interest, (all set by the Association), costs, and reasonable attorneys' fees, shall be a lien on the Lot. Each 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 the same shall be a continuing lien on the Lot, excepting for the provision of Sections 2.11 below, relating to mortgagees.

2.6.1 Budget. At least thirty (30) days in advance of the beginning of each calendar year, the Board shall, on an annual basis, make a determination as to the estimated costs of the Association, including any reserves necessary for future capital expenditures and maintenance. Assessments shall be charged to each Owner on a uniform per Lot basis. The Board shall set the regular assessment at least thirty (30) days prior to the end of the calendar year. The assessments may be collected on a monthly, quarterly, or annual basis, or any combination of same as determined by the Board. Notwithstanding the foregoing to the contrary, the Board shall not, in any given year, increase the annual assessment by an amount greater than six percent (6%) of the amount of the preceding year's annual

assessment. An increase by the Board and the annual assessment which is greater than the amount permitted hereof must be first approved by the holders of two-thirds (2/3) of the votes of each class of Member who vote in person or by proxy at a meeting called for this purpose.

2.6.2 Assessment Payable. Each Owner shall be responsible to pay the regular assessment commencing on the first day of the month following the date of recordation of the deed or purchase contract wherein the Owner acquired legal, beneficial, or equitable title to the Lot. The Declarant shall be responsible for comparable assessments on each Lot owned by it. However, Declarant shall be responsible to provide labor, material and/or monies in sufficient amounts, not to exceed the amount of the normal Lot assessment for each Lot owned by it, if necessary in Declarant's opinion, to properly fulfill the Association's maintenance responsibilities. The initial regular assessment shall be three hundred dollars (\$300) per year. The Owners acquiring his or her interest from Declarant during the calendar year shall be obligated for a pro rata portion thereof. If a new assessment for any given calendar year is not set by the Board, the regular assessment of the preceding year shall be continued to the new year. Written notice of the assessment shall be sent to the Lot address of every Owner. The payment due date shall be established by the Board.

2.7 Special Assessments. In addition to the regular assessment as set forth above, the Board may set special assessments. Provided that any such special assessment shall have the assent of the holders of two-thirds (2/3) of the votes of each class of Members who vote in person or by proxy at a meeting called for this purpose.

2.8 Non-Payment of Assessment. All sums assessed by the Association chargeable to a Lot, but unpaid, plus an annual interest at the rate of 12% from the date of delinquency, and all costs of collection and attorneys' fees, shall constitute a lien on such Lot 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 Lot at a foreclosure sale, and acquire, hold, lease, encumber, and convey same. A suit to recover a money judgment for unpaid assessments and charges may be maintained by the Association without foreclosing or waiving the lien securing same.

2.9 Voting. The total number of votes in the Association shall be on the basis of one (1) vote per Lot, providing the Declarant shall have three (3) votes for each Lot it owns. The total number of Lots and therefore the total number of votes may be increased from time to time by expansion of the subdivision as evidenced by a supplemental Declaration, incorporating this Declaration, executed and recorded by Declarant. Unless otherwise specifically provided herein or in the

Bylaws of the Association, all Association matters shall be determined by a majority vote. If more than one party is the Owner of a Lot, there must be unanimous agreement among those who own an interest in the Lot as to how to cast that Lot's vote, otherwise, that vote shall not be counted.

2.10 Bylaws and Officers. The Association through its Board shall have the power to adopt bylaws and to appoint its officers and directors, as well as promulgate reasonable rules and regulations relating to the matters within its purpose. The rules may include the establishment of a system of fines and penalties for the violation of the rules and this Declaration, which shall be levied only after the offending Owner has been given notice and an opportunity to be heard in accordance with the terms of the Bylaws of the Association. The rules are deemed incorporated herein by this reference and shall have the same force and effect as if they were set forth in and were a part of this Declaration and shall be binding upon all persons having any interest in, or make any use of, any part of the Property, whether or not copies of the rule are actually received by such persons. The payment of any fines or penalties shall be enforced in the same manner as assessments are enforced hereunder.

2.11 Foreclosure. Where the holder of a first mortgage of a record obtains title to the Lot 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 Lot which became due prior to the acquisition of title to such Lot by such acquirer. As used in this Declaration, the term "mortgage" shall include "deed of trust" and "mortgagee" shall include the "beneficiary" under a deed of trust. Such acquirer shall be responsible, as any Owner, for assessments charged subsequent to the acquisition.

2.12 Complaints. In the event the Association determines that any Owner has not complied with the provisions of this Declaration, then the Board 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 Board, the Owner shall submit corrective plans proposing its remedy to the condition complained of within fifteen (15) days after notice from the Board. The Board shall approve or disapprove any plans submitted by the Owner 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, within the allotted time, the Board 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 pursuant to section 2.8 hereof. The Association is hereby granted the right of entry on the affected Lot to so correct the condition or violation complained of. Moreover, following the Owners' failure to correct such conditions, the Board may impose fines as set forth in the Bylaws.

2.13 Areas of Association Responsibility. The association acting through the Architectural Committee, shall manage, maintain, repair and replace the areas of Association responsibility, and all Improvements and Tracts A, B and C located thereon, except for any part of the areas of Association responsibility which any government entity or district is maintaining or is obligated to maintain. The architectural committee shall be the sole judge as to the appropriate maintenance, repair and replacement of all areas of Association responsibility.

2.14 Personal Liability. No member of the Board, any committee of the Association, any officer of the Association, any agent of the Board or Association, or the Declarant shall be personally liable to any Owner or Member, for any act, omission, error, or negligence of the Association, the Board, its agents, or any other representative or employee of the Association, or any other committee, or any officer of the Association, provided that such person, committee, or agent has, upon the basis of such information as may be possessed, acted in good faith without willful or intentional misconduct.

ARTICLE 3

EXPANSION

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

ARTICLE 4

ARCHITECTURAL AND DESIGNS CONTROL

4.1 Membership.

4.1.1. Declarant's Committee. The Committee shall be composed of members appointed by the Declarant without a meeting or vote of the Members. At such time as the Declarant has sold and built all Lots in the subdivision, or Declarant elects to assign its right of exclusive appointment, then the Board shall appoint the Committee successors. Prior to assignment of its rights 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 but shall be entitled to reimbursement for reasonable costs expended, as approved by the Board. The members of the Committee shall incur no liability for their acts or omissions.

4.1.2 Association's Committee. After the function of the Committee has been assigned to the Association, the committee shall consist of three (3)

regular members appointed by the Board and at least two (2) of the three (3) members must be Owners. None of such member shall be required to be an architect or to meet any other particular qualifications for membership.

4.2 Duties. No dwelling unit, structure, improvement, (including but not limited to any building, fence, wall, screen, outfield, driveway or other surface area), or any attachment to any existing structure, shall be made, placed, altered, repaired, or constructed upon any Lot; no change to the exterior of a dwelling unit, structure, or improvement shall be made; no change to the exterior appearance of any Lot shall be made; no change in the final grade of any Lot shall be made; and no landscaping shall be installed or changed, unless complete plans and specifications and other necessary information (including a construction schedule) showing the nature, design, kind, quality, shape, height, materials, color schemes and location of any such dwelling unit, improvement, structure, attachment, or landscaping, shall have first been submitted to you and approved in writing by the Committee. Pursuant to its rule-making power, the Committee shall establish a procedure for the preparation, submission, and determination of applications for any such alteration or improvements. The Committee shall have the right to refuse or approve any such plans, specifications, or grading plans, which are not suitable or desirable, in its opinion, for aesthetic or other reasons, or not in accordance with the overall theme of Fairway In The Pines Community, or any other reason, and in so passing upon such plans, specifications, and grading plans, and without any limitations on the foregoing, it shall have the right to take into consideration the suitability of the proposed building or other structure, 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 building or other structure on the outlook from adjacent or neighboring Property. All plans must comply with the City of Williams requirements.

4.3 Decisions. 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. No Owner or other parties shall have recourse against the Committee or its designated representatives, or its members, for its disapproval or refusal to approve any such plans, specifications, or plat plan, including lawn area and landscaping. Notwithstanding the foregoing, neither the Declarant nor Declarant's builder shall be required to submit any plans or specifications whatsoever to the Committee, nor shall any consent or approval of the Committee be required for the construction of any improvements by the Declarant or the Declarant's builder except as provided in this Section 4.3, any Owner or Occupant aggrieved by a decision of the Architectural Committee may appeal the decision to the Board in accordance with procedures to be established by the Architectural Committee. In the event the decision of the Architectural Committee is overruled by the Board on any issue or question, the prior decision of the Architectural Committee shall be

deemed modified to the extent specified by the Board. Notwithstanding the foregoing, until termination of Declarant's right to appoint the members of the Architectural Committee pursuant to Section 4.1.1, no decision of the Architectural Committee may be appealed to the Board.

4.4 Liability. Neither the Committee, nor any member thereof, nor the Declarant, shall be liable to the Association, and Owner, or to any other party, for any damage, loss, or prejudice suffered or claimed on account of:

4.4.1 The approval or disapproval of any plans, drawings, or specifications whether or not defective.

4.4.2 The construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications.

4.4.3 The development, or manner of development, of any property within Fairway In The Pines Community.

4.4.4 The granting or failure to grant a variance from this Declaration.

4.5 Non-Action of Committee. In the event the Committee fails to approve or disapprove such design and location within thirty (30) days after said complete plans and specifications have been submitted to it, the plans and specifications shall be deemed to have been approved.

4.6 Architectural Committee Rules. The Committee may, by unanimous vote or written consent, from time to time, and in its sole and absolute discretion, adopt, amend, and repeal rules and regulations to be known as "Architectural Committee Rules and Regulations"; provided, that the same are approved by a majority of the Board. Said rules shall interpret and implement the Property restrictions by setting forth the standards and procedure for architectural design, placement of buildings, landscaping, color schemes, exterior finishes, materials, and similar features which are recommended for use on the Property. Said rules shall further be incorporated into this Declaration by reference.

4.7 Changes Require Committee Approval. All subsequent addition to, changes, or alterations in any building, fence, wall, or other structure, including exterior color scheme, shall be subject to the prior approval of the Committee. No changes or deviations in or from such plans and specifications once approved shall be done without the prior written approval of the Committee. Any subsequent changes shall be subject to the requirements, limitations, and controls as were applied to the original structure.

4.8 Variance. The Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article in order to overcome practical difficulties and prevent unnecessary hardships arising by reason of the

application of the restrictions contained herein. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the property and shall not militate against the general intent and purpose hereof.

4.9 Plans and Specifications. The plans and specifications shall show, among other things, the design, structural details, materials, finishes, exterior colors, site location, grades, and dwelling elevations and shall include a site plan of the building site proposed to be improved. A copy of the plans and specifications as finally approved shall be retained in the records of the Committee until final construction has been completed.

4.10 Nonconforming Architectural Improvements. In the event that the improvements do not, upon the proposed date set forth in the construction schedule, conform to the plans submitted to and approved by the Committee, the Committee shall give written notice to the Owner of the Lot upon which improvements have been made. Such notice shall specify the nature of the nonconformity of the improvements and shall grant the Owner a hearing before the Committee. If an Owner has not, within sixty (60) days of the mailing or delivery of the written notice, corrected the nonconformity of the improvement, then the Committee shall have the right to assess such fines and penalties as deemed appropriate by the Committee and to record a lien on such Lot as provided in Section 2.8.

4.11 Licensed Contractor Required. To insure quality construction, an Arizona Licensed General Contractor, Architect, or Engineer shall be responsible for all new construction within the development and shall be approved in writing by the Committee.

4.12 Primary Builder. Phantom Ranch Development, LLC will hire the primary builder in Fairway In The Pines Community.

ARTICLE 5

GENERAL RESTRICTIONS APPLICABLE TO ALL LOTS

The Property shall be held, used and enjoyed subject to the following limitations and restrictions (in addition to all other provisions hereof):

5.1 Land Use. No building other than one (1) single family dwelling resident with an attached private garage not to exceed two (2) cars, and other outbuilding as approved by the Committee, and are in compliance with applicable zoning, shall be erected, maintained, placed, or permitted on any Lot. No improvements may be commenced without the appropriate building permits having been first obtained from the governing agency or agencies.

5.1.1 No Commercial or Business Activities. All Fairway In The Pines Communities Properties shall be used, improved, and devoted exclusively to Single Family Residential Use. No premises shall be used for group homes, hospitals, or sanitariums, whether for hire or charitable purposes, of persons suffering from injury, ill health, mental health issues, addiction, or disease. No business activity which produces any additional traffic activity over that normally associated with an ordinary residence or creates a nuisance as defined by Section 5.20 shall be conducted on any such Property, with the sole exception of sales models, construction offices and sales office operated by Declarant for the period of time required to sell Fairway In The Pines Communities Lots and Phantom Ranch Development, LLC thereon. Declarant or their assigns are exempted from the provision of these covenants, conditions, and restrictions to the extent necessary to conduct sales of the Lots, including the possible location of a sales office within the subdivision. The flow of electronic data to or from such residence shall specifically NOT be counted as traffic and no attempt shall be made the Committee to monitor its presence.

5.1.2 Leases and Rentals Allowed. Nothing herein shall be deemed to prevent the leasing or vacation rental of any such Property from time to time by the Owner thereof, subject to all the provisions of this Declaration.

5.1.3 Lots May Not Be Split. No Lot shall be re-subdivided into smaller Lots than those Lots shown or delineated on the original recorded Plat.

5.2 Construction. Except for the purpose of development by Declarant or developers, or actual construction upon an Owner's Lot, no stone, sand, gravel, or soil shall be removed from any Lot, provided, however, that the Declarant, their successors or assigns, in carrying out the improvements and development of said Lots, shall have the right of ingress and egress upon all Lots for the purpose of grading and excavating thereon, constructing the streets, improvements, installation of public utilities, and to do any and all things necessary to complete the general plan of improvement and development of the subdivision.

5.3 Completion Time. No building material of any kind or character shall be placed upon any Lot except in connection with construction approved as herein provided. As soon as building materials are placed on any Lot in such connection, construction shall promptly be commenced and diligently prosecuted in order that the exterior walls of the construction shall be completed, including painting within nine (9) months of the date construction is started. The structure shall be completed within twelve (12) months unless an extension of time is granted by the Committee.

5.4 Minimum Home Sizes. A residential structure on lots one (1) to ten (10) shall contain a minimum of twelve hundred (1200) square feet of living area,

exclusive of garage, carport, open porches. A residential structure on lots eleven (11) to thirty-five (35) shall contain a minimum fourteen hundred (1400) square feet of living area, exclusive of garage, carport, open porches. No two (2) story residence are allowed. No garage shall be used for residential purposes. The stem wall of all structures must be solid and shall be constructed out of concrete or block. No structure whatever, other than one private, single family residence, which shall include a private garage for not more than three (3) cars, shall be erected, placed, or permitted to remain on any Lot. No building or structure, including the garage, shall be erected or maintained separate from the residence hereinabove referred to.

5.5 Height Limitations. No building or structure of any kind whatsoever shall be more than one story in height, excluding a basement, and shall in no event exceed twenty-five (25) feet in height from the point of building high grade to the highest point of said building or structure.

5.6 Location.

5.6.1 Setbacks. Unless stated otherwise on the recorded plat for Fairway In The Pines Community, no dwelling house, building, or other structure shall be located on any Lot less than fifteen (20) feet from the front Lot line, nor less than twenty (15) feet from the rear Lot line, nor less than five (5) feet from any side Lot line. Corner Lots must have a ten (10) foot setback on side facing street.

5.6.2 Approvals Required. No improvements shall be erected, altered or placed on any Lot without approval of the Committee. It being understood that all 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.

5.7 Grading and Drainage. Site grading and drainage must occur with minimum disruptions to the Lot, without altering natural drainage patterns as runoff leaves the Lot, and without causing conditions that could lead to unnecessary soil erosion.

5.8 Easements. Declarant or its duly appointed agent shall have the right of ingress and egress over upon and across the easement and rights-of-way and the right to store materials therein and make such other use thereof as may reasonably be necessary or incident to construction, development, maintenance and sale of the overall Property of which the Lot is a part. Any easements as designated on the Subdivision Plat shall be the sole responsibility of the Association to maintain, repair, and reconstruct as set forth in Article 2 of this Declaration. The Declarant shall have the right to convey any such easements to the Association. Prior to any such conveyance, the Declarant shall be responsible

for any improvements and maintenance. Upon such conveyance the Association shall be responsible for any real estate taxes and charges.

5.9 Building Materials. Any and all structures placed upon the Lots must be constructed on the Lot site and shall be made from new material or its equivalent, and as may be approved by the Committee. No building or structure, in whole or in part, shall be moved from any other location onto said Property. All dwellings, carports, and garages shall have composition shingles on the roof area compatible with the exterior wall materials and the design style of the residence.

5.10 Chimneys. All fireplace chimneys and outlets from stove, heating appliances, and outside fire boxes must be protected from flying sparks by an approved capping or screening as approved by the Fire Marshal of the City of Williams. The chimney, above the roof line, shall be constructed using only brick, stone, stucco, or wood type siding material. No metal chimney shall be installed.

5.11 Mobile Homes. No Mobile Home, prefab, or manufactured home of any type shall be permitted to be placed on any Lot, permanently or temporarily.

5.12 Temporary Structures. No structure of a temporary character, motorhome, recreational vehicle, or travel trailer, regardless of its nature or form, shall be used as a residence at any time. Developer reserves the right to maintain a jobsite trailer and storage container onsite till all home construction is completed.

5.13 Utilities. All utility service lead-ins shall be underground.

5.14 Plumbing. All dwellings used for residential purposes shall be installed with water flush toilets, and all bathrooms, toilets, or sanitary conveniences shall be located inside the dwelling houses permitted hereunder and must be connected to the sanitary sewer facilities. There shall not be allowed any outside portable lavatories, outside toilets, or open plumbing, except facilities of this type may be used by construction personnel during construction.

5.15 Fences. The perimeter of the Lot may be fenced with materials deemed acceptable by the Committee. Fences, walls, hedges, or shrubs not to exceed six (6) feet in height, may be erected or planted up to the Property lines, except in the front yard setbacks and the side yard setbacks adjacent to streets which shall be limited to four (4) feet in height. All fencing and garden fencing must be natural materials that are stained earth tone in color and complementary to the area and approved in writing by the Committee. No metal fence shall be erected on any Lot except the perimeter fencing of development property lines provided by the developer to maintain views.

5.16 Protective Screening. No tanks of any kind shall be erected, placed, or permitted on any of said Lots. All clothesline, storage areas, wood piles, service yards, temporary or permanent equipment, tools, machinery, or machinery parts, repair materials, household effects, boxes, bags, and any other items that shall in appearance detract from the aesthetic value of the Property shall be kept screened by adequate planting or fencing so as to conceal them from View of Neighboring Lots or streets. No laundering will be permitted except inside an approved structure with approved plumbing.

5.17 Parking and Storage. No more than two (2) vehicle may be parked in the driveway overnight all other vehicles are required to be fully housed in the garage when not in use. No motor vehicle which is under repair or not in operating condition shall be placed or permitted to remain on the street or part thereof or upon any Lot or part thereof, unless it is within a fully enclosed garage. Boats, boat trailers, camping trailers, campers, travel trailers, or any other recreational vehicles, sporting or camping equipment shall not be stores or parked, unless fully enclosed in a garage. The plans and specifications of all structures and screening shall be first submitted to and approved by the Committee.

5.18 Antennas. The placement of any antenna, aerial or satellite dish must have the Committee's approval before it is placed on the Lot. No antenna, aerial or satellite dish shall be put up in a manner that will disturb the surrounding neighbors and/or Property. The Committee shall have the final decision on a dispute regarding an Owner's antenna, aerial or satellite dish and what effect it has on the surrounding neighbors and/or be a visual detriment to the Property.

5.19 Nuisances. No Owner shall place or maintain any animate or inanimate object upon any Lot so as to create a nuisance to the Owners of the neighboring Lots. No activity which is offensive, noxious, or detrimental to the use of the land in the vicinity of any Lots shall be conducted on any Lot, or portion thereof, herein conveyed, nor shall any Lot be used for purpose that, as a matter of common experience, tend to create a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices. Except security devices used exclusively for security purposes, shall be located, used or placed on any such property without the written approval of the Committee. Moreover, no loud or offensive noise, excessively glaring or bright lights, foul odors or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to its occupants.

5.20 Livestock and Poultry. No animals, horses, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of dogs, cats, or other household pets may be kept by their owners. Such dogs, cars, or other household pets are to be properly controlled at all time so that they do not create a hazard or nuisance to Owners of other Lots in the subdivision.

Such dogs, cats, or household pets are not to be raised, bred, or kept for commercial purposes.

5.21 Garbage and Refuse Disposal. The storage, collection, disposal, and removal of all debris, garbage, and trash must be arranged for with an established service that is permitted to charge a fee as recommended by the state or county health agent. All debris, garbage, and trash shall be in appropriate trash containers and screened from View of Neighboring Lots at all times except when placed curbside on days regularly scheduled for the purpose of collections. In lieu of the above method of disposal of debris, garbage, and trash, each Owner may at his option, remove such material from his Lot and dispose of it in an accredited area and manner. In any event, each Owner is responsible for the neatness of his Lot. No Lot may be used for the dumping of rubbish other than for a reasonable compost pile maintained and a clean, sanitary condition. Trash, garbage, or other waste shall not be kept except in sanitary conditions with an approved screened area and promptly removed. All equipment for the storage of such material shall be kept in a clean and sanitary condition. No outdoor burning of trash shall be permitted on any Lot.

Should an Owner fail to keep his Lot clean of debris, garbage, and trash at all times, and until such time as the Property is, for the enforcement of this type of violation, turned over to the Association, the Declarant can cause the same to be cleaned and this cost shall be charged as an Association to the Owner of said Lot. Recording of a notice of such charges in the office of the Coconino County Recorder shall constitute a constitute a lien against such Lot, which lean shall continue until released from record. The responsibility for legal action for the removal of debris, garbage, and trash is vested with the Declarant until such time as it passes to the Association.

5.22 Signs. No signs are billboards used as advertising or promotional devices, except those used in the sale of Lots in the subdivision by Declarant, or those permitted by the applicable sign ordinance for sale or rental of Property by the Owner(s) or his or her agent, shall be placed on any Lot or portion thereof.

5.23 Fire. In the event any home, structure, or landscaping is destroyed or partially destroyed by fire, Act of God, or as a result of any other act or thing, such damage must be repaired and the improvement reconstructed within one (1) year from such damage.

5.24 Property Maintenance. All vacant Lots in Fairway In The Pines Community shall be at all times kept free of rubbish and litter. The yards and grounds in connection with all improved Lots shall be at all times kept in neat condition to any extent sufficient to maintain appearance not out of keeping with that of typical improved properties in the subdivision. During prolonged absence, owner of said Lot agrees to arrange for the care of the Lot during such absence.

5.25 No Hazardous Activities. No activities shall be conducted on the Property and on improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property and no open fires shall be lighted or permitted on the property, except in a contained barbecue unit, well attended and in use for cooking purposes or within a safe and well-designed interior fireplace or fire pit.

5.26 Diseases and Insects. No Owner shall permit anything or condition to exist app on any Property which shall induce, breed or harbor infectious plant diseases or noxious insects or rodents.

5.27 Exterior Maintenance. Maintenance, repair, upkeep and repainting of residences, including all other improvements on a Lot, shall be the sole responsibility of each Owner. Such maintenance, repair and repainting of a residence and other improvements on a Lot shall be undertaken in a manner and with such frequency as shall keep each Owner's Lot in an attractive, well-kept and maintained condition and in conformity with other Lots. In the event any Owner fails to fulfill his or her obligation under this section, the Association, after approved by the Board, shall have the right to assess such fines and penalties as deemed appropriate by the Board and to record a lien on such lot as provided in Section 2.8.

ARTICLE 6

GENERAL PROVISIONS

6.1 Real Covenants. The covenant, restrictions, reservations, conditions, and servitudes contained in this Declaration shall run with the land and shall be binding upon all persons owning, leasing, subleasing, or occupying any Lot or Lots after the date on which this instrument shall have been recorded in the office of the County Recorder of Coconino County, State of Arizona. The covenants, restrictions, reservations, conditions, and servitude may be enforced by the Owner or lessee of any Lot, by the holder of a Bona Fide First Mortgage on any Lot, by the Association, or by any one or more of said persons acting jointly; provided, however, that any breach by reasons thereof shall not defeat or adversely affect the lien or existence of a Bona Fide First Mortgage upon any Lot, but each and all said covenants, restrictions, reservations, conditions, and servitude 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, restrictions, reservations, conditions, and servitudes herein contained as fully as through 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.

6.2 Invalidity and Severability. Invalidation of any of these covenant, restrictions, reservations, conditions, and servitudes by judgment, court order, 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.

6.3 Amendments. During the period ending ten (10) years immediately following the date of the recording of this Declaration, the Declaration may be amended by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, clarifying that such amendment has been approved by the vote or written consent of the then owners, including Declarant, of not less than two-thirds (2/3) of the votes in the Association. Such amendment shall not be effective until the recording of such instrument. So long as the Declarant owns any Lot, any amendment to this Declaration must be approved in writing by the Declarant. After such ten (10) year period, this declaration may be amended by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by the vote or written consent of the then Owners of not less than two-thirds (2/3) of the votes in the Association.

6.4 Term. The covenant, restrictions, reservations, conditions, and servitudes of this Declaration run with the land and shall be binding upon all persons owning any of said Lots in Fairway In The Pines Community, as the same may hereafter being amended in accordance with the terms hereof, shall remain in full force and effect for a term of twenty (20) years from and after the date of recording of this Declaration, from which time they shall be automatically renewed and extended for successive period of ten (10) years each, unless terminated as of the end of such initial twenty (20) years or any successive ten (10) years within the six (6) month period immediately preceding the expiration of such initial period, or any renewal period, by an instrument of termination executed and acknowledged by the Owners of at least two-thirds (2/3) of the Lots, included or incorporated within this Declaration, and recorded in the office of the Coconino County Recorder.

6.5 Remedies Cumulative. Each remedy provided herein is cumulative and nonexclusive.

6.6 Nonwaiver. Failure by the Declarant, the Board, the Association, the Committee, or by any Owner to enforce any of the provisions hereof at any time shall not constitute a waiver of the right thereafter to enforce any of such provisions.

6.7 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the

development and operation of the Property. Except for judicial construction, Declarant shall have the exclusive right to construe and interpret this declaration and the provisions herein.

6.9 Exemption of Declarant. Nothing in this Declaration shall limit the right of Declarant or its agents to complete excavation, grading and construction of improvements to any of the Property or to construct such additional Improvement as a Declarant deems advisable in the course of development of the Property so long as any Lot therein remains unsold. Further, nothing in this Article shall limit the right of a Declarant or its agents to use any structure as a sales model, sales office or construction office or parking area and to place any sign, banner, flag or similar method of advertisement to promote sales within the Property. Without limitation, the Declarant or its agents may maintain sales, administrative and construction offices on any lot and may maintain parking areas and parking lots on any Lot. The rights of Declarant hereunder or elsewhere in this Declaration may be assigned.

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SIGNATURE PAGE FOLLOWS

In witness whereof, Phantom Ranch Development, LLC, an Arizona limited liability company, has executed this Declaration this 18th day of February, 2021.

Phantom Ranch Development, LLC

By: [Signature]
Member

Steve Iverson, as Member of Phantom Ranch Development, LLC, an Arizona limited liability company.

State of Arizona)
) ss.
County of Coconino)

This instrument was acknowledged before me this 18 day of February, 2021, as a Member of Phantom Ranch Development, LLC, an Arizona limited liability company.

[Signature]
Notary Public

My Commission Expires:

May 22, 2023

