

WHEN RECORDED RETURN TO:

**Vanguard Development Quartzsite LLC
4055 East River Road
Tucson AZ 85718**

(Space above line for Recorder's use)

AMENDED AND RESTATED

**DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS AND EASEMENTS
FOR
*THE ARROYOS QUARTZSITE***

KNOW ALL MEN BY THESE PRESENTS:

CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, AS TRUSTEE UNDER TRUST NO. 2057 (the "Declarant") is the owner of certain real property situated in the Town of Quartzsite, County of La Paz, State of Arizona, more particularly described on the Plat for *The Arroyos Quartzsite* as Lots 1 through 103, inclusive, *THE ARROYOS QUARTZSITE* SUBDIVISION, according to the plat thereof, recorded April 26, 2006 at Document No. 2006-3027, Records of La Paz County, Arizona (the "Properties"), and caused a **DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS AND EASEMENTS FOR *THE ARROYOS QUARTZSITE*** to be recorded June 1, 2006 at Document No. 2006-3893, which is amended and restated hereby.

NOW, THEREFORE, Declarant hereby declares that all of the real property described on the Plat shall be held, sold and conveyed subject to the following covenants, conditions, charges, liens, restrictions, easements and reservations (hereinafter collectively sometimes referred to as this "Declaration" or these "CC&Rs"), all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties, and all of which are hereby declared to be for the benefit of and binding upon the Properties and all of the Lots and Owners thereof, their heirs, successors, grantees and assigns. These CC&Rs shall run with the title to the Lots, and each and every part and parcel thereof shall be binding on all parties having or acquiring any right title and interest in a Lot, and shall inure to the benefit of each Owner thereof.

This Declaration hereby establishes a general plan for the development of the Properties and the individual ownership of real property estates, consisting of a single-family dwelling with allowable outbuildings and/or guest quarters. Every conveyance of any Lot or single family dwelling shall be and is subject to these covenants, conditions, charges, liens, restrictions, easements and reservations.

1. All of the following covenants, conditions, and restrictions shall continue and remain in full force and effect at all times against the Owner of any Lot contained in *The Arroyos Quartzsite* Lots 1 through 103 for a term of ten (10) years from and after the date of the recording of this Declaration, from which time they shall be automatically renewed and extended for successive periods of ten (10) years each, unless terminated as of the end of such initial ten (10) years or any successive ten (10) year period 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 seventy-five (75) percent of the Lots included within this Declaration and recorded in the office of the La Paz County Recorder.

2. The native vegetation on the Properties shall not be destroyed or removed, except to the extent as may be necessary for construction and maintenance of roads, sidewalks, Paseos, perimeter fencing, driveways, dwellings, garages, and other outbuildings related to said dwellings.

3. No portion of the Properties shall be used in whole or in part for any storage of any property or thing that will cause the Properties to appear unclean or untidy, or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon the Properties that will emit foul or obnoxious odors, or that will cause any noise that will or might unreasonably disturb the peace, quite, comfort of serenity of the occupants of the surrounding property.

4. No obnoxious, illegal or offensive activity shall be carried out within any residence, nor upon any Lot, easement, or right of way, nor shall anything be done therein which may be or may become an annoyance or nuisance to the neighborhood.

5. All trash and waste shall be kept in sanitary containers out of the neighbors' view.

6. All utilities shall be underground.

7. No building except one (1) single family residential dwelling with attached or detached accessory buildings for use in connection with such dwelling, shall be permitted on any Lot; however, such building or buildings may be constructed on two (2) contiguous Lots, provided the Owner obtains an assessor's parcel number for the combined Lots that replaces the two (2) assessor's parcel numbers for the aforesaid two (2) contiguous Lots, in which case the combined Lots shall be considered one (1) Lot.

8. No dwelling shall be erected upon any Lot unless such dwelling contains at least twelve hundred (1200) square feet of enclosed floor space inclusive of floor space in an attached and enclosed garage, or covered carport, but exclusive of porches and other detached accessory buildings. The floorplan and/or footprint options available for a permitted residence on each Lot shall be approved and/or designated by Declarant, in Declarant's sole discretion. ~~Construction of a~~ residence shall be constructed by a properly bonded and insured State licensed contractor, and shall be completed, as defined by the issuance of a Certificate of Occupancy by the Town of Quartzsite for the residence, within the sooner of -four (4) years after the original Owner has closed escrow on the purchase of his/her Lot, ~~as defined by the issuance of a Certificate of Occupancy by the Town of Quartzsite for the residence, or within 12 months from Commencement of Construction. (The four year requirement to build applies only to Owners after the date of recording of the AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS AND EASEMENTS FOR THE ARROYOS QUARTZSITE.)~~ For purposes used here and elsewhere, "Commencement of Construction" shall be defined as the moment the house foundation is completed.

8a. **Penalty:** Because Owners of Lots within the subdivision expect the subdivision to eventually have permanent residences constructed on each Lot to maintain and enhance property values within the subdivision, should an Owner, other than Declarant, fail to complete construction of a residence before the sooner of four (4) years after closing escrow on the purchase of his/her Lot, or within 12 months from Commencement of Construction, that Owner shall pay to each and every Lot Owner in the

subdivision, to compensate the other Owners for the delay, as liquidated damages, and not as a penalty, an amount equal to ONE DOLLAR (\$1.00) per week from the week following the fourth anniversary from close of escrow or the twelfth month from Commencement of Construction, until the date that construction is completed. If a delay is caused by circumstances beyond the Owner's control, the date to complete construction may be extended accordingly by adding the number of days that were caused by such circumstances to ~~the~~ the four (4) year term requirement to complete construction. Any amounts owing as penalties shall be a lien upon such Lot and the Lot Owner shall be responsible for the payment of interest @ 10% on any penalty not paid and all reasonable attorneys fees required to collect such assessment as provided in subparagraph 20(C) below.

9. Only site-built single family residential dwellings, or manufactured housing approved by the Declarant and the Town of Quartzsite, shall be permitted, in accordance with the Town of Quartzsite Building and Zoning requirements. Exterior walls of dwellings and out-buildings shall not be constructed of corrugated or galvanized metal siding. Exposed wood shall be painted or treated. Acceptable materials for exterior wall include: Masonry concrete, slump block, stucco, brick and painted or treated wood. Exterior colors shall be muted tones. Dominant colors such as black, blue, or red are not allowed.

10. Unless otherwise approved by Declarant, no house trailer, mobile home, or temporary dwelling of any nature, including a Recreational Vehicle, more than twelve (12) years old and having the purpose of being used as a dwelling, shall be built, erected, placed or maintained on any Lot, except during construction or pre-construction of a permanent residence on said Lot, and then only in the first year after close of original escrow.

11. No motor vehicles (including, without limitation, motorcycles, water vehicles, and similar items) which are under repair or not in operating condition shall be placed or permitted to remain on any road or any Lot, unless it is within the confines of an enclosed garage or other enclosed structure.

12. No commercial business shall be conducted on any Lot. This restriction shall not prohibit a home office where the business is not apparent from the exterior of the residence, does not create noise or congestion from traffic or parking, and preserves the residential nature of the Properties.

13. No solid wall or fence of any type over six (6) feet shall be erected on any Lot. Any wall or fence of any type to be erected on any Lot that does not match existing walls and/or fences in the subdivision in form and design, shall be pre-approved and/or designated by Declarant, in Declarant's sole discretion.

14. No antenna, satellite dish or power generator shall be installed in a manner that will disturb the surrounding neighbors and/or Properties. No tower for transmitting or reception use, or any other uses, shall be allowed. For this purpose, tower is defined specifically as a self-supporting tall structure that is constructed of multiple vertical, non-telescoping elements.

15. No signs, other than one (1) normal "For Sale" or "For Rent" sign not to exceed 2' x 2' in size, shall be allowed on any Lot, provided and EXCEPT that the Developer, while selling and/or improving the Properties, may install such signs and maintain such sales offices and other facilities necessary in its sole opinion to conduct its business operation free of the limitations herein imposed.

16. No public events shall be held on any of the Lots.

17. A reasonable number of general recognized house or yard pets may be kept on a Lot so long as they are not kept, bred or maintained for any commercial purpose. Animal confinement structures, if any, shall be located so as not to be visible from the street or any neighboring Lot. No horse(s), cattle, swine, or similar animal(s) may be kept on any Lot.

18. When mail delivery becomes available, each Lot Owner shall maintain a mailbox on his/her Lot that complies with standards promulgated by the United States Postal Service, and all such mailboxes shall be uniform in design and appearance.

19. Parking shall be restricted as follows:

A. Any and all motor vehicles not otherwise provided for herein or prohibited by the provisions hereof shall be stored in a garage, with the garage door closed, so as to conceal the same from view from adjoining property or from the street or public way, except that vehicles (other than recreational vehicles, commercial vehicles, motor homes, campers, trailers, boats and similar vehicles, as provided below) may be parked upon the driveway surface of a Lot only when there are more vehicles present than number of enclosed garage spaces. On-street parking is limited to one side of each street as determined by Declarant, and no vehicles may be parked on that side of a street containing one or more No Parking signs, which signs shall be posted by Declarant.

B. Parking and/or storing of recreational vehicles, motor homes, trailers, campers, boats, commercial vehicles and similar vehicles is prohibited on all portions of the Properties and any adjacent public streets or areas, except within the designated RV parking confines of the covered or uncovered enclosed storage on the Owner's Lot, except that such vehicles may be A.) parked on the driveway or in front of an Owner's Lot for a "brief stop" necessary for loading or unloading or preparing for or returning from a trip. A "brief stop" means a continuous period of not more than eight (8) hours, and this period may not be extended by briefly moving the vehicle and then returning it to complete the loading or unloading or preparing for or returning from a trip, or B.) parked on the Lot's designated RV parking space, if in conformity with Paragraph 10 of this document, during construction period of the permanent residence.

C. Once construction of the permanent residence is complete, the use or occupancy of a recreational vehicle, motor home, van, trailer, camper, boat or similar vehicle as living quarters on either a temporary or permanent basis is strictly prohibited on any portion of the Properties and adjacent public streets or areas; however, one (1) or more guests may occupy one (1) recreational vehicle, motor home, van or trailer within the confines of enclosed storage on the Owner's Lot for a period of not more than four (4) consecutive weeks, provided that any such occupancies shall not total more than twelve (12) weeks during any calendar year. At no time shall there be any outside storage of motor vehicles in stages of construction, reconstruction, modification, or rebuilding of parts of motor vehicles such as frames, bodies, engines or other parts or accessories.

20. The easements for Paseos (pedestrian paths designated on the Plat), entrance monuments and fencing of exterior boundaries required by the Town of Quartzsite shall be maintained as follows:

A. Owners of any Lot and their guests and/or invitees, utility providers and emergency vehicles such as fire, ambulance and the like shall be entitled to use the aforesaid easements for Paseos. The Lot Owners shall be collectively responsible for the maintenance, repair and upkeep of these easements

and fencing. These expenses shall include, but not be limited to raking, trimming, painting, restoring, and other reasonable expenses needed to maintain these easements and fencing. In addition, each Lot Owner individually shall hold public liability insurance in a minimum amount of five hundred thousand dollars (\$500,000) by purchasing or extending their present homeowners' liability policy to include their Lot. Each Lot Owner's share of the annual maintenance of these easements and fencing shall be one (1) divided by one hundred three (103).

B. Based on the number of Lots owned, the Lot Owners shall make all decisions concerning the maintenance of these easements, and all decisions concerning the maintenance of these easements shall be made by a majority vote of the Lot Owners. On or about January 15, 2007, and each January thereafter, the Owners of the Lots shall elect by a majority, each Lot Owner having (1) vote, an agent, who shall be a Lot Owner, to be the Owners' Representative. The Owners' Representative shall be responsible for communicating the needs for maintenance and costs thereof to the other Lot Owners obtaining bids, and collecting assessments. The Owners' Representative shall receive the amount of \$25.00 a month or \$300 a year, (which shall be applied toward his /her share of any assessment) with said sum to be assessed as a part of the maintenance of the easements. This amount may be changed by a majority vote of the Lot Owners.

C. Any amounts so assessed for normal maintenance and repairs of these easements, shall be due and payable within fifteen (15) days after said assessment, unless otherwise set forth by a majority vote of the Owners of the Lots. If the assessment is not paid within that period of time, the assessment shall carry interest at the rate of 12 (twelve) percent per annum and shall be a lien against the Lot owned by the Owner not paying the assessment and any other Lot owned by that Owner. A lien shall be established by the Owners' Representative filing a Notice of Lien listing the amount, the date due, the interest rate, the legal description of the Lot, and the name and address of the Lot Owner, and stating that said sums shall be a lien against the Lot. The defaulting Owner shall be also responsible for any attorneys' fees and costs incurred in establishing the lien. Said lien may be foreclosed as in the same manner as a materialman's or laborman's lien. Said lien shall revert to the date the assessment was due. However, said lien shall not have priority over any Deed of Trust or other Security Agreement recorded against the Lot prior to the date the assessment came due, as long as such Deed of Trust or Security Agreement was for the purchase of the Lot against which the lien is being assessed.

21. The Owners' Representative shall be also responsible for maintaining a list of Lot Owners and Tenants, including Lot number, name, address, phone number and email address. A meeting of all Owners should be held once each year on or about January 15, as provided in paragraph 20 above, pursuant to ARS §33-1804(B).

22. No portion of a residence may be rented, other than the entire residence, and then only to a single family for a term of not less than thirty (30) days, and all Tenants shall abide by the provisions of this Declaration. Any lease or rental agreement entered into between a Lot Owner and a Tenant shall require compliance by the Tenant with all provisions contained in this Declaration, and each Lot Owner shall have a right of action directly against any Tenant, as well as against the Lot Owner, for non-performance of any of the provisions of this Declaration to the same extent that such right of action exists against such Lot Owner. Each Lot Owner shall notify the Owners' Representative in writing of the names of any Tenants of such Lot Owner's residence.

23. Any notices required hereby, including any notice of assessment, shall be mailed to the Owners of the Lots by delivery to the address reflected in the La Paz County Assessor's records or to such other address as a Lot Owner may give to the Owners' Representative.

24. If the Owner or subsequent Owner of any Lot herein conveyed shall violate or attempt or threaten to violate any portion of this Declaration, then the undersigned as Seller of the property or any other person or persons may prosecute by law, or proceedings against any person or persons violating, threatening or attempting to violate any such covenants, or restrictions and enjoin such action or proceedings, including reasonable attorneys' fees chargeable to and assessed against the person or persons who have violated, threatened, or attempted to violate any portion of this Declaration.

25. In the event that any portion of this Declaration shall be held by any court of competent jurisdiction to be null and void, all remaining provisions shall continue unimpaired and in full force and effect.

26. This Declaration shall be governed by the laws of the State of Arizona, and more specifically, the provisions of the Arizona Revised Statutes, §33-1801 through 33-1814.

27. This Declaration shall be for the benefit of all Owners of the Lots. In the event that any Owner of any Lot is required to obtain the services of one or more attorneys to enforce any provision of this Declaration, then the substantially prevailing party shall be entitled to attorneys' fees and costs and other expenses so required in enforcing this Declaration.

28. This Declaration may be amended at any time by an instrument executed by the Owners of at least seventy-five (75) percent of the Lots included within this Declaration, and such amendment shall not be effective until the recording of such instrument in the office of the La Paz County Recorder. Provided, however, that until such time as Declarant has less than twenty-five (25) percent of the Lots included within this Declaration, Declarant reserves the right to unilaterally amend this Declaration.

ALL OF THE AFORESAID COVENANTS, CONDITIONS, AND RESTRICTIONS SHALL CONTINUE AND REMAIN IN FULL FORCE AND EFFECT AT ALL TIMES AS AGAINST THE OWNER OF ANY LOT CONVEYED BY THE UNDERSIGNED SELLER.

IN WITNESS WHEREOF, Declarant and Developer have caused this Declaration to be duly executed this ___ day of _____, 2007.

DECLARANT:

By: _____

Name: _____

Title: _____

DEVELOPER:

By: _____

Name: James F. Kunisch

Title: Manager

STATE OF ARIZONA)
) ss
COUNTY OF LA PAZ)

The foregoing instrument was acknowledged before me this _____ day of _____, 2007, by _____, _____ of CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, AS TRUSTEE UNDER TRUST NO. 2057, and not otherwise.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss
COUNTY OF LA PAZ)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by James F. Kunisch, Manager of Vanguard Development Quartzsite LLC, an Arizona limited liability company, on behalf of the LLC, and not otherwise.

Notary Public

My Commission Expires: