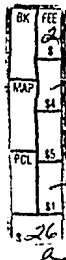


When Recorded Mail To:

Williamson Vly Investors
Box 1301
Prescott AZ 86302



INSTRUMENT # 9565464
OFFICIAL RECORDS OF
YAVAPAI COUNTY
MARGO W. CARSON
REQUEST OF:
WILLIAMSON VALLEY INVESTORS
DATE: 12/18/95 TIME: 12:40
FEE: 21.00 SC: 4.00 PT: 1.00
BOOK 3126 PAGE 827 PAGES: 024



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
INSCRIPTION CANYON RANCH, UNIT ONE

THIS DECLARATION made and dated this 20th day of Sept.,
1995 by **YAVAPAI-COCONINO TITLE AGENCY, INC.**, an Arizona corporation
as Trustee under its Trust No. 338 ("Declarant"), being the owner
of all the following described premises situated in the County of
Yavapai, State of Arizona, to-wit:

Lots 1 through 28, Tracts A, B, C, and D, all Common
Areas, Private Roadways and Easements as specified on the
Final Plat ("Plat") of Inscription Canyon Ranch and
recorded in Book 3126 of Maps, pages 827, Official
Records of Yavapai County, Arizona (hereinafter referred
to as the "Property").

R E C I T A L S

A. Declarant intends to acquire other real property located
in the County of Yavapai, Arizona, which will be annexed into the
coverage of this Declaration pursuant to Section 39 hereof. The
term "Property" as used herein shall include the property
hereinabove described and any other real property annexed into the
coverage of this Declaration.

B. Declarant intends to develop the Property into a planned
residential neighborhood of single family detached residences to be
known as Inscription Canyon Ranch.

C. Declarant deems it desirable to establish covenants,
conditions, restrictions and easements upon the Property and each
and every portion thereof, which will constitute a general scheme
for the development, government and management of the Property, and

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3126 827

for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and enhancing the quality of life in Inscription Canyon Ranch.

D. Declarant desires and intends that the owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and all other persons hereinafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which are declared to be in furtherance of a plan to promote the Property.

NOW, THEREFORE, Declarant, for the purposes above set forth, declares that the Property shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which shall run with the land and be binding upon the Property and all parties having or acquiring any right, title or interest in or to the Property, or any part thereof, and shall inure to the benefit of each owner thereof.

USE AND OCCUPANCY RESTRICTIONS

1. Land Use and Building Type: No lot shall be used except for single-family residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling, a private garage, and one

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guest house where and as permitted by the planning and building ordinance(s) of Yavapai County, Arizona. No building constructed or maintained on a lot shall exceed two (2) stories in height and in no event shall a building on a lot exceed thirty feet (30') in height measured from the medium point of the natural existing grade to the highest point of the roof. Carports shall not be allowed on any Lot. All structures used for storage of vehicles and equipment must be an enclosed structure. All construction, including, but not necessarily limited to dwelling house, guest house, garage, barns and other out buildings, shall be constructed and maintained within the building envelope as set forth on the Plat and as more fully set forth in the Architectural Guidelines.

No business, trade, or manufacturing of any nature or description shall be carried on or transacted on any portion of the Property nor shall any part of the Property be used as a hospital or sanitarium or other facility for hire for the care or entertainment of persons suffering from any disease or disability whatsoever. A barn and a corral may be constructed on any lot subject to the approval of the Architectural Review Committee.

The use of any lot, building or any and all structures thereon shall comply with the use, density district and general provisions of the Yavapai County Planning and Building Ordinance. Where there are conflicts between the Covenants, Conditions and Restrictions and the Yavapai County Planning and Building Ordinances, the most restrictive provision(s) shall apply.

No radio antennas, satellite antennas and/or towers of any kind or nature shall be placed or maintained on any lot, excepting however, an antenna utilized for direct television reception, or a telescoping ham radio antenna as may be allowed and approved by the Architectural Review Committee.

2. Architectural Review. No building or any other form of construction or improvement shall be erected, maintained, placed or altered on any lot until the construction plans and specifications and a site plan showing the location of the structure have been approved by the Architectural Review Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography, finish grade elevation, and boundary line setbacks. Lot owners should refer to the architectural guidelines which may be obtained at the Sales Office of Inscription Canyon Ranch subdivision or from a member of the Architectural Review Committee.

3. Size: The floor area of the dwelling, exclusive of porches, garages, carport and patios, shall be not less than One Thousand Eight Hundred Square Feet (1,800 sq. ft.) unless otherwise approved by the Committee. No prefabricated building or other structure of any nature whatsoever, permanent or temporary, shall be moved or placed upon, or assembled or otherwise maintained on any lot, provided, however that a temporary office, trailer office, tool shed, lumber shed and/or sales office may be maintained upon any lot or lots by any building contractor for the purpose of erecting and selling dwellings on any lot or lots, but such

temporary structures shall be removed at completion of construction or sale of the lot, whichever is later. In connection herewith, and, as an exception to this restriction, a prefabricated barn may be placed and maintained on a Lot after first obtaining the approval of the Architectural Review Committee. In some instances, a Conditional Use Permit may be required by Yavapai County before a prefabricated structure, whether permanent or temporary, may be placed on a Lot.

4. Building Location: No building shall be located on any lot nearer than fifty feet (50') from the front and rear property lines of the lot. No building shall be located closer to the side lot lines than twenty-five feet (25'). On a corner lot, the side yard setback shall be thirty feet (30') along the side street lot line. A storage room attached to the walls of the dwelling must meet the above setbacks. Detached garages and other permitted accessory buildings must meet the setback requirements of Yavapai County, and all detached structures, including, but not limited to, garages, barns, and guesthouses must be located behind and at the rear of the main dwelling house, and not closer to the front of the Lot than the side plane of the house on a corner lot. In the event an owner acquires a portion of any adjoining lot or lots, the foregoing measurements shall be made from the side property lines of the acquired property rather than from the side lot lines indicated on the recorded Final Plat. None of the lots shown on the Final Plat shall be resubdivided into smaller lots. Nothing herein contained shall prevent the dedication or conveyance of portions of

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lots for public utilities, in which event the remaining portion of any lot shall, for the purpose of this provision, be treated as a whole lot.

5. Fences: No fence or wall higher than six feet (6') shall be constructed across the rear property line of any lot; nor shall any fence or wall be constructed upon any lot unless its materials, design and style are first approved by the Architectural Review Committee. Fences constructed of chain link or wire shall not be allowed in the front of a Lot or on the side of a Lot which is a corner Lot except as may be approved by the Architectural Review Committee. Fences or walls constructed on or within the area of the minimum front or side street setback lines as defined in Paragraph No. 4 above, shall not exceed four (4) feet in height and fences or walls constructed on any side lot line shall not exceed six feet (6') in height.

6. Easements: Easements, as indicated upon the recorded Final Plat of this subdivision, are reserved for the installation and maintenance of public service utilities and other uses for public or quasi-public good. No buildings shall be placed upon such easements or interference be made with the free use of the same for the purpose intended. The easement(s) designated on the Final Plat as "Bridle Path" and located in the front of the lot(s) is for the exclusive use of riding horses, mules, donkeys or such other animal that may be ridden and for purposes of human walking and hiking. The Bridle Path may not be used by or for any vehicular use, including, but not limited to, motorcycles, motor scooters,

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automobiles, etc. Non-motorized bicycles may use the Bridle Path. The power line as shown on the Final Plat (Tracts B and C) shall also be used exclusively as a Bridle Path, subject to the same conditions and uses as hereinabove set forth in this Section 6 regarding the Bridle Path.

7. Nuisances: No noxious or offensive activity shall be carried on, in or upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

8. Temporary Structures: No structure of a temporary character or nature, including but not limited to a trailer, mobile home, basement, tent, shack, garage, barn, vehicle camper, recreational vehicles or any outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

9. Signs: No sign of any kind shall be displayed to the public view on any lot except one (1) sign of not more than six square feet (6 sq. ft.) in size and not more than four (4) feet in height which advertises the property for sale or rent, or advertises a building contractor during construction on a Lot, or as approved by the Architectural Committee, or as placed by the developer during the period of development of this subdivision.

10. Livestock and Poultry: No poultry or fowl of any kind shall be raised, bred or kept on any lot, except that birds, not in excess of three (3) in number owned as pet(s) may be kept inside a dwelling house in a manner that it/they do not bother a neighboring Lot owner. Dogs, cats or other household pets may be kept on a lot

provided that they are not kept, bred or maintained for any commercial purpose. Horses or 4-H Animal Projects, excluding poultry, fowl and swine, may be kept on any lot in the subdivision as allowed by the Planning and Zoning Ordinances of Yavapai County, Arizona. Fences and/or corrals for livestock and 4-H Animal Projects must be of pipe, sucker rod, white rail or chain link, and such fences, together with any barns, corrals and stables or other outbuildings must be approved by the Architectural Review Committee. Corrals or other areas fenced for purposes of maintaining animals and pets of any kind shall not exceed in size one-half of the area located behind the main dwelling house.

11. Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for garbage, trash or rubbish. Trash, rubbish, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. Garbage and trash pickup service is available.

12. Propane Tanks: All propane tanks must be blocked from view or buried.

13. Oil and Mining Operations: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon, over, under or in any lot. No derrick or other structure designed for use in boring for oil or natural gas or for

any purpose associated with oil or gas drilling or mining shall be erected, maintained or permitted upon any lot.

14. Sight Distance at Intersections: No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed, planted, constructed or be permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five feet (25') from the intersection of the street lines, or, in the case of a rounded property corner, from the intersection of the street property lines extended. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

15. Completion of Construction: Any building or other structure including but not limited to, fences, walls, driveways, and patios in this subdivision, shall be completed within eight (8) months after construction begins, except when such delay is caused by an act of God, strikes, actual inability of the owner to procure delivery of necessary materials, or by interference by other persons or forces beyond the control of the owner to prevent, or as may be extended by the Architectural Review Committee. Financial inability of the owner or his contractor, sub-contractor or materialmen to secure labor or materials or discharge liens or attachments shall not be deemed a cause beyond the Owner's control. Construction start is defined as the beginning of construction, of

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any improvement on the lot, including, but not limited to, dwelling, fences, barns, stables or corrals.

16. Care of Properties: All vacant lots in this subdivision shall at all times be kept free of rubbish and litter. The yards and grounds in connection with all improved properties shall be at all times kept in a neat and sightly condition and shall be cultivated and planted to any extent sufficient to maintain an appearance not out of keeping with that of typical improved properties of this subdivision, excepting, however, a Lot owner may not irrigate or water more than nine thousand (9,000) square feet of area on a Lot. During prolonged absence, owner of said lot agrees he/she will arrange for the care of the property during such absence. In the event a lot owner does not maintain his lot in a neat and proper manner, the Architectural Review Committee may have said lot cleaned up after giving the lot owner a thirty (30) day notice in writing, concerning the condition of the lot and the intent to have the lot cleaned. After the Lot has been cleaned, the Architectural Review Committee shall be entitled to reimbursement for the cost and expense thereof from the lot owner. Upon refusal of the lot owner to reimburse the Architectural Review Committee within thirty (30) days from date that the Architectural Review Committee delivers to the lot owner a signed statement itemizing the cost and expense, the IRC Water Users Association may record an affidavit in the Office of the Yavapai County Recorder which sets forth the name of the lot owner and the lot number and a statement that the lot owner refuses to maintain said lot in a

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neat and proper manner with a copy of the original notice attached and such amount set forth in the notice shall constitute a lien against the lot. Said amount shall bear interest at the rate of ten percent (10%) per annum from the date of recording until paid. Nothing set forth hereinabove shall be deemed to restrict or limit the power, right and authority of the Architectural Review Committee as hereinafter set forth in Section 27. No overnight parking for any trucks, pickup trucks, or trailers will be permitted in the street. All vehicles must be parked in an enclosed structure.

17. Drainage Easement: Purchaser shall not at any time hereafter fill, block, or obstruct any drainage easements and drainage structures on the demised premises, nor shall purchaser cause or suffer to be erected on the demised premises any building or obstruction for the purpose, directly or indirectly, of obstructing, blocking or filling any such drainage easement or drainage structure, and purchaser agrees to make and forever to repair and maintain all such drainage easements and drainage structures on the demised premises, making good nevertheless at his own expense, all damage which may be caused to the said drainage easements and structures on the demised land, and purchaser agrees to repair at his own expense, all damage to any structure on any lot which may be caused directly or indirectly, by his obstructing, blocking or filling any such drainage easements. The construction of any improvement and/or the maintenance of the drainage easement (the area of a Lot located outside of the building site envelope)

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shall be subject to the approval of the Yavapai County Building Department and Yavapai County Flood Control Committee.

18. Architectural Review Committee: The Architectural Review Committee shall be composed of five (5) persons who own Lot(s) in this subdivision. Such Committee shall be appointed by the Board of Directors of the I C R Water Users Association. The Committee shall serve and act in accordance with the terms of the Bylaws of the I C R Water Users Association, as amended from time to time. Notwithstanding the language set forth above in this Section 18, all powers, duties and rights vested in or given to the Architectural Review Committee in this Declaration shall be vested in and exercised exclusively by the Declarant or a committee of three (3) persons duly appointed by Declarant until such time as fifty-one (51) Lots in the Property shall have been sold by the Declarant, at which time all such powers, duties and rights shall vest in and be exercised by the Architectural Review Committee subject to the Bylaws of the I C R Water Users Association.

19. Abandoned or Inoperable Vehicles: No vehicle of any type which is abandoned or inoperable shall be stored, parked, or in any manner kept on any lot within this subdivision (or street if the subdivision contains private streets) in such a manner so that is can be seen from any other lot or from any streets or alleyways within this subdivision.

20. Repair, Maintenance and Storage of Vehicles: No repair or maintenance work shall be performed on any motor vehicle or other piece of equipment except wholly inside an enclosed garage.

Recreational vehicles, camper trailers, camper shells, boats, bikes, etc. shall be parked behind the rear plane of the house.

21. Natural Environment: The natural trees and shrubs are one of the development's major attractions. Every lot owner should do everything possible to preserve them. In the event trees must be cut, lot owners are encouraged to replace them.

22. I C R Water Users Association. A lot owner is automatically a member of I C R Water Users Association and is entitled to one voting right upon connection with and to the water system. There shall be a refundable meter charge payable to I C R Water Users Association. A lot owner will be charged an additional cost as and for connection to the water system. The additional amount of the water meter charge and any additional charges shall be set from time to time by the I C R Water Users Association.

23. Dominant Tenement: Each of the lots in said tract shall constitute the dominant tenement and be entitled to the benefit of the covenants herein contained as against all of the other lots in said tract which shall constitute the servient tenements.

24. Covenants To Run With The Land: These covenants are to run with the land and shall be binding on the undersigned and all of its successors in title, interest or possession in all and every part of said premises for twenty-five (25) years, and thereafter said covenants shall be automatically extended for successive periods of ten (10) years, unless and until the owners of a majority of the lots affected hereby amend or revoke the same by

written instrument, duly acknowledged and recorded. These covenants may be amended at any time after the original twenty-five (25) year term has expired.

25. Deeds: Deed(s) conveying or encumbering all or any of the lots in this subdivision shall incorporate by reference all of the provisions contained in this document; however, whether or not recited in the deed(s) of conveyance, these restrictions as recited herein or any amendments in the future shall be binding on every owner of every lot in the subdivision.

26. Enforcement: The Declarant or the Architectural Review Committee, by and through the Board of Directors of the I C R Water Users Association, or any Lot Owner shall have the right to enforce, by proceedings at law or in equity, all or any of the restrictions, covenants or conditions (Restrictions) set forth in this Declaration, or any amendments thereto, including, but not limited to the right to prevent the violation of any of said Restrictions and the right to recover damages, costs, and attorney's fees incurred and other sums for such violations, together with interest thereon at the rate of ten percent (10%) per annum from the date of expenditure of any monies.

27. Nonwaiver: Failure by the Declarant, Architectural Review Committee or any Lot Owner to enforce any Restriction or provision herein contained in any certain instance or on any particular occasion, shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.

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28. Cumulative Remedies: All rights, options and remedies of Declarant, the Architectural Review Committee or the Lot Owners under this Declaration are cumulative, and no one of them shall be exclusive of any other, and Declarant, the Architectural Review Committee and a Lot Owner(s) shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

29. Severability: Invalidation of any one or a portion of these covenants, conditions and restrictions or provisions set forth in this Declaration or in the Bylaws or Rules of the I C R Water Users Association, by judgment or court order shall not affect any other covenants, condition, restriction or provision contained herein or therein which shall remain in full force and effect.

30. Construction: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a first class, single family residential community and for maintenance of the Property. The section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions or interpretation or construction.

31. Gender and Number: Whenever the context of this Declaration requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.

32. Nuisance: The result of every act or omission whereby any provision or Restriction contained in this Declaration is violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity against a nuisance, either public or private, shall be applicable with respect to the abatement thereof and may be exercised by the Declarant, Architectural Review Committee or any Lot Owner. Such remedy shall be deemed cumulative to all other remedies set forth in this Declaration and shall not be deemed exclusive.

33. Attorneys' Fees: In the event any action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment reasonable attorneys' fees and costs of suit.

34. Notices: Any notice to be given to a Lot Owner or the Declarant or the Architectural Review Committee under the provisions of this Declaration shall be in writing and shall be delivered as follows:

(a) Notice to a Lot Owner shall be delivered personally or by registered or certified United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Declarant or Architectural Review Committee for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Lot Owner's Lot in this subdivision or the address then set forth in the public records of Yavapai County for the mailing of real property taxes. In the case

of Co-Owners, any such notice may be delivered or sent to any one of the Co-Owners on behalf of all Co-Owners and shall be deemed delivered to all such Co-Owners. Any notice so deposited in the mail shall be deemed delivered upon the date of receipt.

(b) Notice to the Declarant or Architectural Review Committee shall be delivered by registered or certified United States mail, postage prepaid, addressed to the office of the statutory agent of the I C R Water Users Association ("Association") or to any other address designated as the known place of business for the Association pursuant to the Articles of Incorporation or otherwise designated by the Board. Any notice so deposited in the mail shall be deemed delivered upon the date of receipt.

35. Effect of Declaration: This Declaration is made for the purposes set forth in the recitals in this Declaration and Declarant makes no warranties or representation, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances, regulations and the like applicable thereto. Declarant shall have no liability whatsoever if any of the provisions of this Declaration are determined to be unenforceable in whole or in part or under certain circumstances.

36. Personal Covenant: To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owner of such Lot and Declarant, other Owners or the Architectural Review Committee, such personal covenant shall terminate and be of no

further force or effect from and after the date when a person or entity ceases to be a Lot Owner except to the extent this Declaration provides for personal liability with respect to any liens or charges incurred during the period a person/entity is an Owner.

37. Non-liability of Officials: To the fullest extent permitted by law, neither the Declarant nor the Association nor any officer, agent or employee or member of the Association, or Declarant shall be liable to any Lot Owner for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, or negligence if a member of the Architectural Review Committee or officer acted in good faith within the scope of his or their duties.

38. Annexation of Additional Property: Declarant shall have the right to annex other land owned by it into the coverage of this Declaration by recording, in the office of the Recorder of Yavapai County, Arizona, a Declaration of Annexation describing the additional real property to be bought within the coverage of this Declaration. Any such Declaration of Annexation may supplement this Declaration with such additional provisions as Declarant may deem appropriate for the real property annexed.

39. Owner Liability and Indemnification: Each Lot Owner shall be liable to the remaining Lot Owners for any damage to the Common Area, Tracts A, B, C and D, that may be sustained by reason of the negligence of the Lot Owner or such Lot Owner's family

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members, tenants, guests or invitees, but only to the extent that any such damage is not covered by casualty insurance in favor of the remaining Lot Owners or Declarant or the Association. Each Lot Owner, by acceptance of a deed for a Lot, agrees personally and for family members, tenants, guests and invitees to indemnify each and every other Lot Owner and Declarant and to hold such other Lot Owners and Declarant harmless from, and to defend such Owners and Declarant against any claim of any person for personal injury or property damage occurring within the Common Area, Tracts A, B, C and D, except to the extent (a) that such injury or damage is covered by liability insurance in favor of the remaining Lot Owners or Declarant.

40. Conflicting Provisions: In the case of any conflict between this Declaration and the Bylaws, or Association Rules, this Declaration shall control.

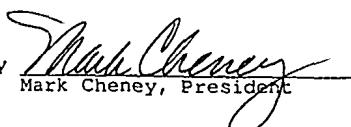
41. Amendments by Declarant: Declarant (without obtaining the approval of Lot Owners, the Association or existing Lenders) may unilaterally, and in its sole discretion, amend or modify this Declaration at any time prior to the sale of fifty-one (51) Lots in this subdivision for any reason Declarant shall determine to be reasonable and/or necessary.

42. Protection of Declarant Rights: Any amendment shall not terminate or decrease any unexpired right of Declarant, or period of Declarant control, unless the Declarant approves or consents in writing.

43. Execution of Amendments: An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder of Yavapai County, Arizona. An amendment which requires the affirmative written assent or vote of the Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment has been so approved, and when the amendment has been recorded in the office of the County Recorder of Yavapai County, Arizona.

44. Subordination: Nothing contained in this Declaration shall be held to invalidate the lien of any mortgage or deed of trust prior to foreclosure, provided, however, that any purchase at any mortgage or trustee's sale shall take and hold title subject to all of the provisions hereof.

YAVAPAI-COCONINO TITLE AGENCY, INC.
TRUSTEE UNDER ITS TRUST NO. 338

By 
Mark Cheney, President

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STATE OF ARIZONA)
) SS.
COUNTY OF YAVAPAI)

On this 20th day of Sept., 1995, before me the undersigned Notary Public, personally appeared Mark Cheney, who acknowledged himself to be the President of Yavapai-Coconino Title Agency, Inc., an Arizona corporation, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires: 6-20-99

Christine Wilson

NOTARY PUBLIC



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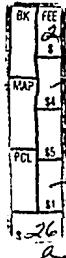
BOOK 3126 PAGE 847

When Recorded Mail To:

Williamson Vly Investors
Box 1301
Prescott AZ 86302



INSTRUMENT # 9565464
OFFICIAL RECORDS OF
YAVAPAI COUNTY
MARGO W. CARSON
REQUEST OF:
WILLIAMSON VALLEY INVESTORS
DATE: 12/18/95 TIME: 12:40
FEE: 21.00 SC: 4.00 PT: 1.00
BOOK 3126 PAGE 827 PAGES: 024



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
INSCRIPTION CANYON RANCH, UNIT ONE

THIS DECLARATION made and dated this 20th day of Sept.,
1995 by YAVAPAI-COCONINO TITLE AGENCY, INC., an Arizona corporation
as Trustee under its Trust No. 338 ("Declarant"), being the owner
of all the following described premises situated in the County of
Yavapai, State of Arizona, to-wit:

Lots 1 through 28, Tracts A, B, C, and D, all Common
Areas, Private Roadways and Easements as specified on the
Final Plat ("Plat") of Inscription Canyon Ranch and
recorded in Book 3126 of Maps, pages 827, Official
Records of Yavapai County, Arizona (hereinafter referred
to as the "Property").

R E C I T A L S

A. Declarant intends to acquire other real property located
in the County of Yavapai, Arizona, which will be annexed into the
coverage of this Declaration pursuant to Section 39 hereof. The
term "Property" as used herein shall include the property
hereinabove described and any other real property annexed into the
coverage of this Declaration.

B. Declarant intends to develop the Property into a planned
residential neighborhood of single family detached residences to be
known as Inscription Canyon Ranch.

C. Declarant deems it desirable to establish covenants,
conditions, restrictions and easements upon the Property and each
and every portion thereof, which will constitute a general scheme
for the development, government and management of the Property, and

-1-

3126 827

for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and enhancing the quality of life in Inscription Canyon Ranch.

D. Declarant desires and intends that the owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and all other persons hereinafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which are declared to be in furtherance of a plan to promote the Property.

NOW, THEREFORE, Declarant, for the purposes above set forth, declares that the Property shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which shall run with the land and be binding upon the Property and all parties having or acquiring any right, title or interest in or to the Property, or any part thereof, and shall inure to the benefit of each owner thereof.

USE AND OCCUPANCY RESTRICTIONS

1. Land Use and Building Type: No lot shall be used except for single-family residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling, a private garage, and one

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guest house where and as permitted by the planning and building ordinance(s) of Yavapai County, Arizona. No building constructed or maintained on a lot shall exceed two (2) stories in height and in no event shall a building on a lot exceed thirty feet (30') in height measured from the medium point of the natural existing grade to the highest point of the roof. Carports shall not be allowed on any Lot. All structures used for storage of vehicles and equipment must be an enclosed structure. All construction, including, but not necessarily limited to dwelling house, guest house, garage, barns and other out buildings, shall be constructed and maintained within the building envelope as set forth on the Plat and as more fully set forth in the Architectural Guidelines.

No business, trade, or manufacturing of any nature or description shall be carried on or transacted on any portion of the Property nor shall any part of the Property be used as a hospital or sanitarium or other facility for hire for the care or entertainment of persons suffering from any disease or disability whatsoever. A barn and a corral may be constructed on any lot subject to the approval of the Architectural Review Committee.

The use of any lot, building or any and all structures thereon shall comply with the use, density district and general provisions of the Yavapai County Planning and Building Ordinance. Where there are conflicts between the Covenants, Conditions and Restrictions and the Yavapai County Planning and Building Ordinances, the most restrictive provision(s) shall apply.

No radio antennas, satellite antennas and/or towers of any kind or nature shall be placed or maintained on any lot, excepting however, an antenna utilized for direct television reception, or a telescoping ham radio antenna as may be allowed and approved by the Architectural Review Committee.

2. Architectural Review. No building or any other form of construction or improvement shall be erected, maintained, placed or altered on any lot until the construction plans and specifications and a site plan showing the location of the structure have been approved by the Architectural Review Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography, finish grade elevation, and boundary line setbacks. Lot owners should refer to the architectural guidelines which may be obtained at the Sales Office of Inscription Canyon Ranch subdivision or from a member of the Architectural Review Committee.

3. Size: The floor area of the dwelling, exclusive of porches, garages, carport and patios, shall be not less than One Thousand Eight Hundred Square Feet (1,800 sq. ft.) unless otherwise approved by the Committee. No prefabricated building or other structure of any nature whatsoever, permanent or temporary, shall be moved or placed upon, or assembled or otherwise maintained on any lot, provided, however that a temporary office, trailer office, tool shed, lumber shed and/or sales office may be maintained upon any lot or lots by any building contractor for the purpose of erecting and selling dwellings on any lot or lots, but such

temporary structures shall be removed at completion of construction or sale of the lot, whichever is later. In connection herewith, and, as an exception to this restriction, a prefabricated barn may be placed and maintained on a Lot after first obtaining the approval of the Architectural Review Committee. In some instances, a Conditional Use Permit may be required by Yavapai County before a prefabricated structure, whether permanent or temporary, may be placed on a Lot.

4. Building Location: No building shall be located on any lot nearer than fifty feet (50') from the front and rear property lines of the lot. No building shall be located closer to the side lot lines than twenty-five feet (25'). On a corner lot, the side yard setback shall be thirty feet (30') along the side street lot line. A storage room attached to the walls of the dwelling must meet the above setbacks. Detached garages and other permitted accessory buildings must meet the setback requirements of Yavapai County, and all detached structures, including, but not limited to, garages, barns, and guesthouses must be located behind and at the rear of the main dwelling house, and not closer to the front of the Lot than the side plane of the house on a corner lot. In the event an owner acquires a portion of any adjoining lot or lots, the foregoing measurements shall be made from the side property lines of the acquired property rather than from the side lot lines indicated on the recorded Final Plat. None of the lots shown on the Final Plat shall be resubdivided into smaller lots. Nothing herein contained shall prevent the dedication or conveyance of portions of

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lots for public utilities, in which event the remaining portion of any lot shall, for the purpose of this provision, be treated as a whole lot.

5. Fences: No fence or wall higher than six feet (6') shall be constructed across the rear property line of any lot; nor shall any fence or wall be constructed upon any lot unless its materials, design and style are first approved by the Architectural Review Committee. Fences constructed of chain link or wire shall not be allowed in the front of a Lot or on the side of a Lot which is a corner Lot except as may be approved by the Architectural Review Committee. Fences or walls constructed on or within the area of the minimum front or side street setback lines as defined in Paragraph No. 4 above, shall not exceed four (4) feet in height and fences or walls constructed on any side lot line shall not exceed six feet (6') in height.

6. Easements: Easements, as indicated upon the recorded Final Plat of this subdivision, are reserved for the installation and maintenance of public service utilities and other uses for public or quasi-public good. No buildings shall be placed upon such easements or interference be made with the free use of the same for the purpose intended. The easement(s) designated on the Final Plat as "Bridle Path" and located in the front of the lot(s) is for the exclusive use of riding horses, mules, donkeys or such other animal that may be ridden and for purposes of human walking and hiking. The Bridle Path may not be used by or for any vehicular use, including, but not limited to, motorcycles, motor scooters,

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automobiles, etc. Non-motorized bicycles may use the Bridle Path. The power line as shown on the Final Plat (Tracts B and C) shall also be used exclusively as a Bridle Path, subject to the same conditions and uses as hereinabove set forth in this Section 6 regarding the Bridle Path.

7. Nuisances: No noxious or offensive activity shall be carried on, in or upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

8. Temporary Structures: No structure of a temporary character or nature, including but not limited to a trailer, mobile home, basement, tent, shack, garage, barn, vehicle camper, recreational vehicles or any outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

9. Signs: No sign of any kind shall be displayed to the public view on any lot except one (1) sign of not more than six square feet (6 sq. ft.) in size and not more than four (4) feet in height which advertises the property for sale or rent, or advertises a building contractor during construction on a Lot, or as approved by the Architectural Committee, or as placed by the developer during the period of development of this subdivision.

10. Livestock and Poultry: No poultry or fowl of any kind shall be raised, bred or kept on any lot, except that birds, not in excess of three (3) in number owned as pet(s) may be kept inside a dwelling house in a manner that it/they do not bother a neighboring Lot owner. Dogs, cats or other household pets may be kept on a lot

provided that they are not kept, bred or maintained for any commercial purpose. Horses or 4-H Animal Projects, excluding poultry, fowl and swine, may be kept on any lot in the subdivision as allowed by the Planning and Zoning Ordinances of Yavapai County, Arizona. Fences and/or corrals for livestock and 4-H Animal Projects must be of pipe, sucker rod, white rail or chain link, and such fences, together with any barns, corrals and stables or other outbuildings must be approved by the Architectural Review Committee. Corrals or other areas fenced for purposes of maintaining animals and pets of any kind shall not exceed in size one-half of the area located behind the main dwelling house.

11. Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for garbage, trash or rubbish. Trash, rubbish, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. Garbage and trash pickup service is available.

12. Propane Tanks: All propane tanks must be blocked from view or buried.

13. Oil and Mining Operations: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon, over, under or in any lot. No derrick or other structure designed for use in boring for oil or natural gas or for

any purpose associated with oil or gas drilling or mining shall be erected, maintained or permitted upon any lot.

14. Sight Distance at Intersections: No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed, planted, constructed or be permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five feet (25') from the intersection of the street lines, or, in the case of a rounded property corner, from the intersection of the street property lines extended. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

15. Completion of Construction: Any building or other structure including but not limited to, fences, walls, driveways, and patios in this subdivision, shall be completed within eight (8) months after construction begins, except when such delay is caused by an act of God, strikes, actual inability of the owner to procure delivery of necessary materials, or by interference by other persons or forces beyond the control of the owner to prevent, or as may be extended by the Architectural Review Committee. Financial inability of the owner or his contractor, sub-contractor or materialmen to secure labor or materials or discharge liens or attachments shall not be deemed a cause beyond the Owner's control. Construction start is defined as the beginning of construction, of

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any improvement on the lot, including, but not limited to, dwelling, fences, barns, stables or corrals.

16. Care of Properties: All vacant lots in this subdivision shall at all times be kept free of rubbish and litter. The yards and grounds in connection with all improved properties shall be at all times kept in a neat and sightly condition and shall be cultivated and planted to any extent sufficient to maintain an appearance not out of keeping with that of typical improved properties of this subdivision, excepting, however, a Lot owner may not irrigate or water more than nine thousand (9,000) square feet of area on a Lot. During prolonged absence, owner of said lot agrees he/she will arrange for the care of the property during such absence. In the event a lot owner does not maintain his lot in a neat and proper manner, the Architectural Review Committee may have said lot cleaned up after giving the lot owner a thirty (30) day notice in writing, concerning the condition of the lot and the intent to have the lot cleaned. After the Lot has been cleaned, the Architectural Review Committee shall be entitled to reimbursement for the cost and expense thereof from the lot owner. Upon refusal of the lot owner to reimburse the Architectural Review Committee within thirty (30) days from date that the Architectural Review Committee delivers to the lot owner a signed statement itemizing the cost and expense, the IRC Water Users Association may record an affidavit in the Office of the Yavapai County Recorder which sets forth the name of the lot owner and the lot number and a statement that the lot owner refuses to maintain said lot in a

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neat and proper manner with a copy of the original notice attached and such amount set forth in the notice shall constitute a lien against the lot. Said amount shall bear interest at the rate of ten percent (10%) per annum from the date of recording until paid. Nothing set forth hereinabove shall be deemed to restrict or limit the power, right and authority of the Architectural Review Committee as hereinafter set forth in Section 27. No overnight parking for any trucks, pickup trucks, or trailers will be permitted in the street. All vehicles must be parked in an enclosed structure.

17. Drainage Easement: Purchaser shall not at any time hereafter fill, block, or obstruct any drainage easements and drainage structures on the demised premises, nor shall purchaser cause or suffer to be erected on the demised premises any building or obstruction for the purpose, directly or indirectly, of obstructing, blocking or filling any such drainage easement or drainage structure, and purchaser agrees to make and forever to repair and maintain all such drainage easements and drainage structures on the demised premises, making good nevertheless at his own expense, all damage which may be caused to the said drainage easements and structures on the demised land, and purchaser agrees to repair at his own expense, all damage to any structure on any lot which may be caused directly or indirectly, by his obstructing, blocking or filling any such drainage easements. The construction of any improvement and/or the maintenance of the drainage easement (the area of a Lot located outside of the building site envelope)

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shall be subject to the approval of the Yavapai County Building Department and Yavapai County Flood Control Committee.

18. Architectural Review Committee: The Architectural Review Committee shall be composed of five (5) persons who own Lot(s) in this subdivision. Such Committee shall be appointed by the Board of Directors of the I C R Water Users Association. The Committee shall serve and act in accordance with the terms of the Bylaws of the I C R Water Users Association, as amended from time to time. Notwithstanding the language set forth above in this Section 18, all powers, duties and rights vested in or given to the Architectural Review Committee in this Declaration shall be vested in and exercised exclusively by the Declarant or a committee of three (3) persons duly appointed by Declarant until such time as fifty-one (51) Lots in the Property shall have been sold by the Declarant, at which time all such powers, duties and rights shall vest in and be exercised by the Architectural Review Committee subject to the Bylaws of the I C R Water Users Association.

19. Abandoned or Inoperable Vehicles: No vehicle of any type which is abandoned or inoperable shall be stored, parked, or in any manner kept on any lot within this subdivision (or street if the subdivision contains private streets) in such a manner so that is can be seen from any other lot or from any streets or alleyways within this subdivision.

20. Repair, Maintenance and Storage of Vehicles: No repair or maintenance work shall be performed on any motor vehicle or other piece of equipment except wholly inside an enclosed garage.

Recreational vehicles, camper trailers, camper shells, boats, bikes, etc. shall be parked behind the rear plane of the house.

21. Natural Environment: The natural trees and shrubs are one of the development's major attractions. Every lot owner should do everything possible to preserve them. In the event trees must be cut, lot owners are encouraged to replace them.

22. I C R Water Users Association. A lot owner is automatically a member of I C R Water Users Association and is entitled to one voting right upon connection with and to the water system. There shall be a refundable meter charge payable to I C R Water Users Association. A lot owner will be charged an additional cost as and for connection to the water system. The additional amount of the water meter charge and any additional charges shall be set from time to time by the I C R Water Users Association.

23. Dominant Tenement: Each of the lots in said tract shall constitute the dominant tenement and be entitled to the benefit of the covenants herein contained as against all of the other lots in said tract which shall constitute the servient tenements.

24. Covenants To Run With The Land: These covenants are to run with the land and shall be binding on the undersigned and all of its successors in title, interest or possession in all and every part of said premises for twenty-five (25) years, and thereafter said covenants shall be automatically extended for successive periods of ten (10) years, unless and until the owners of a majority of the lots affected hereby amend or revoke the same by

written instrument, duly acknowledged and recorded. These covenants may be amended at any time after the original twenty-five (25) year term has expired.

25. Deeds: Deed(s) conveying or encumbering all or any of the lots in this subdivision shall incorporate by reference all of the provisions contained in this document; however, whether or not recited in the deed(s) of conveyance, these restrictions as recited herein or any amendments in the future shall be binding on every owner of every lot in the subdivision.

26. Enforcement: The Declarant or the Architectural Review Committee, by and through the Board of Directors of the I C R Water Users Association, or any Lot Owner shall have the right to enforce, by proceedings at law or in equity, all or any of the restrictions, covenants or conditions (Restrictions) set forth in this Declaration, or any amendments thereto, including, but not limited to the right to prevent the violation of any of said Restrictions and the right to recover damages, costs, and attorney's fees incurred and other sums for such violations, together with interest thereon at the rate of ten percent (10%) per annum from the date of expenditure of any monies.

27. Nonwaiver: Failure by the Declarant, Architectural Review Committee or any Lot Owner to enforce any Restriction or provision herein contained in any certain instance or on any particular occasion, shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.

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28. Cumulative Remedies: All rights, options and remedies of Declarant, the Architectural Review Committee or the Lot Owners under this Declaration are cumulative, and no one of them shall be exclusive of any other, and Declarant, the Architectural Review Committee and a Lot Owner(s) shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

29. Severability: Invalidation of any one or a portion of these covenants, conditions and restrictions or provisions set forth in this Declaration or in the Bylaws or Rules of the I C R Water Users Association, by judgment or court order shall not affect any other covenants, condition, restriction or provision contained herein or therein which shall remain in full force and effect.

30. Construction: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a first class, single family residential community and for maintenance of the Property. The section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions or interpretation or construction.

31. Gender and Number: Whenever the context of this Declaration requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.

32. Nuisance: The result of every act or omission whereby any provision or Restriction contained in this Declaration is violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity against a nuisance, either public or private, shall be applicable with respect to the abatement thereof and may be exercised by the Declarant, Architectural Review Committee or any Lot Owner. Such remedy shall be deemed cumulative to all other remedies set forth in this Declaration and shall not be deemed exclusive.

33. Attorneys' Fees: In the event any action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment reasonable attorneys' fees and costs of suit.

34. Notices: Any notice to be given to a Lot Owner or the Declarant or the Architectural Review Committee under the provisions of this Declaration shall be in writing and shall be delivered as follows:

(a) Notice to a Lot Owner shall be delivered personally or by registered or certified United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Declarant or Architectural Review Committee for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Lot Owner's Lot in this subdivision or the address then set forth in the public records of Yavapai County for the mailing of real property taxes. In the case

of Co-Owners, any such notice may be delivered or sent to any one of the Co-Owners on behalf of all Co-Owners and shall be deemed delivered to all such Co-Owners. Any notice so deposited in the mail shall be deemed delivered upon the date of receipt.

(b) Notice to the Declarant or Architectural Review Committee shall be delivered by registered or certified United States mail, postage prepaid, addressed to the office of the statutory agent of the I C R Water Users Association ("Association") or to any other address designated as the known place of business for the Association pursuant to the Articles of Incorporation or otherwise designated by the Board. Any notice so deposited in the mail shall be deemed delivered upon the date of receipt.

35. Effect of Declaration: This Declaration is made for the purposes set forth in the recitals in this Declaration and Declarant makes no warranties or representation, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances, regulations and the like applicable thereto. Declarant shall have no liability whatsoever if any of the provisions of this Declaration are determined to be unenforceable in whole or in part or under certain circumstances.

36. Personal Covenant: To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owner of such Lot and Declarant, other Owners or the Architectural Review Committee, such personal covenant shall terminate and be of no

further force or effect from and after the date when a person or entity ceases to be a Lot Owner except to the extent this Declaration provides for personal liability with respect to any liens or charges incurred during the period a person/entity is an Owner.

37. Non-liability of Officials: To the fullest extent permitted by law, neither the Declarant nor the Association nor any officer, agent or employee or member of the Association, or Declarant shall be liable to any Lot Owner for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, or negligence if a member of the Architectural Review Committee or officer acted in good faith within the scope of his or their duties.

38. Annexation of Additional Property: Declarant shall have the right to annex other land owned by it into the coverage of this Declaration by recording, in the office of the Recorder of Yavapai County, Arizona, a Declaration of Annexation describing the additional real property to be bought within the coverage of this Declaration. Any such Declaration of Annexation may supplement this Declaration with such additional provisions as Declarant may deem appropriate for the real property annexed.

39. Owner Liability and Indemnification: Each Lot Owner shall be liable to the remaining Lot Owners for any damage to the Common Area, Tracts A, B, C and D, that may be sustained by reason of the negligence of the Lot Owner or such Lot Owner's family

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members, tenants, guests or invitees, but only to the extent that any such damage is not covered by casualty insurance in favor of the remaining Lot Owners or Declarant or the Association. Each Lot Owner, by acceptance of a deed for a Lot, agrees personally and for family members, tenants, guests and invitees to indemnify each and every other Lot Owner and Declarant and to hold such other Lot Owners and Declarant harmless from, and to defend such Owners and Declarant against any claim of any person for personal injury or property damage occurring within the Common Area, Tracts A, B, C and D, except to the extent (a) that such injury or damage is covered by liability insurance in favor of the remaining Lot Owners or Declarant.

40. Conflicting Provisions: In the case of any conflict between this Declaration and the Bylaws, or Association Rules, this Declaration shall control.

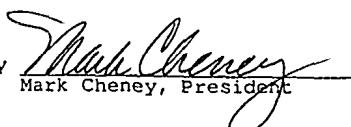
41. Amendments by Declarant: Declarant (without obtaining the approval of Lot Owners, the Association or existing Lenders) may unilaterally, and in its sole discretion, amend or modify this Declaration at any time prior to the sale of fifty-one (51) Lots in this subdivision for any reason Declarant shall determine to be reasonable and/or necessary.

42. Protection of Declarant Rights: Any amendment shall not terminate or decrease any unexpired right of Declarant, or period of Declarant control, unless the Declarant approves or consents in writing.

43. Execution of Amendments: An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder of Yavapai County, Arizona. An amendment which requires the affirmative written assent or vote of the Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment has been so approved, and when the amendment has been recorded in the office of the County Recorder of Yavapai County, Arizona.

44. Subordination: Nothing contained in this Declaration shall be held to invalidate the lien of any mortgage or deed of trust prior to foreclosure, provided, however, that any purchase at any mortgage or trustee's sale shall take and hold title subject to all of the provisions hereof.

YAVAPAI-COCONINO TITLE AGENCY, INC.
TRUSTEE UNDER ITS TRUST NO. 338

By 
Mark Cheney, President

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STATE OF ARIZONA)
) SS.
COUNTY OF YAVAPAI)

On this 20th day of Sept., 1995, before me the undersigned Notary Public, personally appeared Mark Cheney, who acknowledged himself to be the President of Yavapai-Coconino Title Agency, Inc., an Arizona corporation, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires: 6-20-99

Christine Wilson

NOTARY PUBLIC

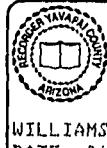


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WHEN RECORDED MAIL TO:



INSTRUMENT # 9600577
OFFICIAL RECORDS OF
YAVAPAI COUNTY
MARGO W. CARSON
REQUEST OF:
WILLIAMSON VALLEY INVESTORS
DATE: 01/04/96 TIME: 11:20
FEE: 22.00 SC: 4.00 FT: 1.00
BOOK 3135 PAGE 526 PAGES: 022

BK	FEE
	22
MAP	34
	55
PCL	51

271

When Recorded Mail To:

Williamson Vly Investors
Box 1301
Prescott AZ 86302

INDEXED &
MICROFILMED



INSTRUMENT # 9565464
OFFICIAL RECORDS OF
YAVAPAI COUNTY
MARGO W. CARSON
REQUEST OF:
WILLIAMSON VALLEY INVESTORS
DATE: 12/18/95 TIME: 12:40
FEE: 21.00 SC: 4.00 FT: 1.00
BOOK 3126 PAGE 027 PAGES: 021

BK	FEE
	21
MAP	14
	55
PCL	51

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
INSCRIPTION CANYON RANCH, UNIT ONE

THIS DECLARATION made and dated this 20th day of Sept.,
1995 by YAVAPAI-COCONINO TITLE AGENCY, INC., an Arizona corporation
as Trustee under its Trust No. 338 ("Declarant"), being the owner
of all the following described premises situated in the County of
Yavapai, State of Arizona, to-wit:

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Lots 1 through 28, Tracts A, B, C, and D, all Common
Areas, Private Roadways and Easements as specified on the
Final Plat ("Plat") of Inscription Canyon Ranch and
recorded in Book 31 of Maps, pages 38-41, Official
Records of Yavapai County, Arizona (hereinafter referred
to as the "Property")
THIS IS BEING RE-RECORDED SOLELY FOR THE PURPOSE TO INCLUDE THE
RECORDED BOOK AND PAGE OF RECITALS RECORDED PLAT

A. Declarant intends to acquire other real property located in the County of Yavapai, Arizona, which will be annexed into the coverage of this Declaration pursuant to Section 39 hereof. The term "Property" as used herein shall include the property hereinabove described and any other real property annexed into the coverage of this Declaration.

B. Declarant intends to develop the Property into a planned residential neighborhood of single family detached residences to be known as Inscription Canyon Ranch.

C. Declarant deems it desirable to establish covenants, conditions, restrictions and easements upon the Property and each and every portion thereof, which will constitute a general scheme for the development, government and management of the Property, and

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for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and enhancing the quality of life in Inscription Canyon Ranch.

D. Declarant desires and intends that the owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and all other persons hereinafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which are declared to be in furtherance of a plan to promote the Property.

NOW, THEREFORE, Declarant, for the purposes above set forth, declares that the Property shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which shall run with the land and be binding upon the Property and all parties having or acquiring any right, title or interest in or to the Property, or any part thereof, and shall inure to the benefit of each owner thereof.

USE AND OCCUPANCY RESTRICTIONS

1. Land Use and Building Type: No lot shall be used except for single-family residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling, a private garage, and one

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guest house where and as permitted by the planning and building ordinance(s) of Yavapai County, Arizona. No building constructed or maintained on a lot shall exceed two (2) stories in height and in no event shall a building on a lot exceed thirty feet (30') in height measured from the medium point of the natural existing grade to the highest point of the roof. Carports shall not be allowed on any Lot. All structures used for storage of vehicles and equipment must be an enclosed structure. All construction, including, but not necessarily limited to dwelling house, guest house, garage, barns and other out buildings, shall be constructed and maintained within the building envelope as set forth on the Plat and as more fully set forth in the Architectural Guidelines.

No business, trade, or manufacturing of any nature or description shall be carried on or transacted on any portion of the Property nor shall any part of the Property be used as a hospital or sanitarium or other facility for hire for the care or entertainment of persons suffering from any disease or disability whatsoever. A barn and a corral may be constructed on any lot subject to the approval of the Architectural Review Committee.

The use of any lot, building or any and all structures thereon shall comply with the use, density district and general provisions of the Yavapai County Planning and Building Ordinance. Where there are conflicts between the Covenants, Conditions and Restrictions and the Yavapai County Planning and Building Ordinances, the most restrictive provision(s) shall apply.

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No radio antennas, satellite antennas and/or towers of any kind or nature shall be placed or maintained on any lot, excepting however, an antenna utilized for direct television reception, or a telescoping ham radio antenna as may be allowed and approved by the Architectural Review Committee.

2. Architectural Review. No building or any other form of construction or improvement shall be erected, maintained, placed or altered on any lot until the construction plans and specifications and a site plan showing the location of the structure have been approved by the Architectural Review Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography, finish grade elevation, and boundary line setbacks. Lot owners should refer to the architectural guidelines which may be obtained at the Sales Office of Inscription Canyon Ranch subdivision or from a member of the Architectural Review Committee.

3. Size: The floor area of the dwelling, exclusive of porches, garages, carport and patios, shall be not less than One Thousand Eight Hundred Square Feet (1,800 sq. ft.) unless otherwise approved by the Committee. No prefabricated building or other structure of any nature whatsoever, permanent or temporary, shall be moved or placed upon, or assembled or otherwise maintained on any lot, provided, however that a temporary office, trailer office, tool shed, lumber shed and/or sales office may be maintained upon any lot or lots by any building contractor for the purpose of erecting and selling dwellings on any lot or lots, but such

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temporary structures shall be removed at completion of construction or sale of the lot, whichever is later. In connection herewith, and, as an exception to this restriction, a prefabricated barn may be placed and maintained on a Lot after first obtaining the approval of the Architectural Review Committee. In some instances, a Conditional Use Permit may be required by Yavapai County before a prefabricated structure, whether permanent or temporary, may be placed on a Lot.

4. Building Location: No building shall be located on any lot nearer than fifty feet (50') from the front and rear property lines of the lot. No building shall be located closer to the side lot lines than twenty-five feet (25'). On a corner lot, the side yard setback shall be thirty feet (30') along the side street lot line. A storage room attached to the walls of the dwelling must meet the above setbacks. Detached garages and other permitted accessory buildings must meet the setback requirements of Yavapai County, and all detached structures, including, but not limited to, garages, barns, and guesthouses must be located behind and at the rear of the main dwelling house, and not closer to the front of the Lot than the side plane of the house on a corner lot. In the event an owner acquires a portion of any adjoining lot or lots, the foregoing measurements shall be made from the side property lines of the acquired property rather than from the side lot lines indicated on the recorded Final Plat. None of the lots shown on the Final Plat shall be resubdivided into smaller lots. Nothing herein contained shall prevent the dedication or conveyance of portions of

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lots for public utilities, in which event the remaining portion of any lot shall, for the purpose of this provision, be treated as a whole lot.

5. Fences: No fence or wall higher than six feet (6') shall be constructed across the rear property line of any lot; nor shall any fence or wall be constructed upon any lot unless its materials, design and style are first approved by the Architectural Review Committee. Fences constructed of chain link or wire shall not be allowed in the front of a Lot or on the side of a Lot which is a corner Lot except as may be approved by the Architectural Review Committee. Fences or walls constructed on or within the area of the minimum front or side street setback lines as defined in Paragraph No. 4 above, shall not exceed four (4) feet in height and fences or walls constructed on any side lot line shall not exceed six feet (6') in height.

6. Easements: Easements, as indicated upon the recorded Final Plat of this subdivision, are reserved for the installation and maintenance of public service utilities and other uses for public or quasi-public good. No buildings shall be placed upon such easements or interference be made with the free use of the same for the purpose intended. The easement(s) designated on the Final Plat as "Bridle Path" and located in the front of the lot(s) is for the exclusive use of riding horses, mules, donkeys or such other animal that may be ridden and for purposes of human walking and hiking. The Bridle Path may not be used by or for any vehicular use, including, but not limited to, motorcycles, motor scooters,

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automobiles, etc. Non-motorized bicycles may use the Bridle Path. The power line as shown on the Final Plat (Tracts B and C) shall also be used exclusively as a Bridle Path, subject to the same conditions and uses as hereinabove set forth in this Section 6 regarding the Bridle Path.

7. Nuisances: No noxious or offensive activity shall be carried on, in or upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

8. Temporary Structures: No structure of a temporary character or nature, including but not limited to a trailer, mobile home, basement, tent, shack, garage, barn, vehicle camper, recreational vehicles or any outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

9. Signs: No sign of any kind shall be displayed to the public view on any lot except one (1) sign of not more than six square feet (6 sq. ft.) in size and not more than four (4) feet in height which advertises the property for sale or rent, or advertises a building contractor during construction on a lot, or as approved by the Architectural Committee, or as placed by the developer during the period of development of this subdivision.

10. Livestock and Poultry: No poultry or fowl of any kind shall be raised, bred or kept on any lot, except that birds, not in excess of three (3) in number owned as pet(s) may be kept inside a dwelling house in a manner that it/they do not bother a neighboring lot owner. Dogs, cats or other household pets may be kept on a lot

provided that they are not kept, bred or maintained for any commercial purpose. Horses or 4-H Animal Projects, excluding poultry, fowl and swine, may be kept on any lot in the subdivision as allowed by the Planning and Zoning Ordinances of Yavapai County, Arizona. Fences and/or corrals for livestock and 4-H Animal Projects must be of pipe, sucker rod, white rail or chain link, and such fences, together with any barns, corrals and stables or other outbuildings must be approved by the Architectural Review Committee. Corrals or other areas fenced for purposes of maintaining animals and pets of any kind shall not exceed in size one-half of the area located behind the main dwelling house.

11. Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for garbage, trash or rubbish. Trash, rubbish, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. Garbage and trash pickup service is available.

12. Propane Tanks: All propane tanks must be blocked from view or buried.

13. Oil and Mining Operations: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon, over, under or in any lot. No derrick or other structure designed for use in boring for oil or natural gas or for

any purpose associated with oil or gas drilling or mining shall be erected, maintained or permitted upon any lot.

14. Sight Distance at Intersections: No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed, planted, constructed or be permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five feet (25') from the intersection of the street lines, or, in the case of a rounded property corner, from the intersection of the street property lines extended. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

15. Completion of Construction: Any building or other structure including but not limited to, fences, walls, driveways, and patios in this subdivision, shall be completed within eight (8) months after construction begins, except when such delay is caused by an act of God, strikes, actual inability of the owner to procure delivery of necessary materials, or by interference by other persons or forces beyond the control of the owner to prevent, or as may be extended by the Architectural Review Committee. Financial inability of the owner or his contractor, sub-contractor or materialmen to secure labor or materials or discharge liens or attachments shall not be deemed a cause beyond the Owner's control. Construction start is defined as the beginning of construction, of

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any improvement on the lot, including, but not limited to, dwelling, fences, barns, stables or corrals.

16. Care of Properties: All vacant lots in this subdivision shall at all times be kept free of rubbish and litter. The yards and grounds in connection with all improved properties shall be at all times kept in a neat and sightly condition and shall be cultivated and planted to any extent sufficient to maintain an appearance not out of keeping with that of typical improved properties of this subdivision, excepting, however, a Lot owner may not irrigate or water more than nine thousand (9,000) square feet of area on a Lot. During prolonged absence, owner of said lot agrees he/she will arrange for the care of the property during such absence. In the event a lot owner does not maintain his lot in a neat and proper manner, the Architectural Review Committee may have said lot cleaned up after giving the lot owner a thirty (30) day notice in writing, concerning the condition of the lot and the intent to have the lot cleaned. After the Lot has been cleaned, the Architectural Review Committee shall be entitled to reimbursement for the cost and expense thereof from the lot owner. Upon refusal of the lot owner to reimburse the Architectural Review Committee within thirty (30) days from date that the Architectural Review Committee delivers to the lot owner a signed statement itemizing the cost and expense, the IRC Water Users Association may record an affidavit in the Office of the Yavapai County Recorder which sets forth the name of the lot owner and the lot number and a statement that the lot owner refuses to maintain said lot in a

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3126 836

neat and proper manner with a copy of the original notice attached and such amount set forth in the notice shall constitute a lien against the lot. Said amount shall bear interest at the rate of ten percent (10%) per annum from the date of recording until paid. Nothing set forth hereinabove shall be deemed to restrict or limit the power, right and authority of the Architectural Review Committee as hereinafter set forth in Section 27. No overnight parking for any trucks, pickup trucks, or trailers will be permitted in the street. All vehicles must be parked in an enclosed structure.

17. Drainage Easement: Purchaser shall not at any time hereafter fill, block, or obstruct any drainage easements and drainage structures on the demised premises, nor shall purchaser cause or suffer to be erected on the demised premises any building or obstruction for the purpose, directly or indirectly, of obstructing, blocking or filling any such drainage easement or drainage structure, and purchaser agrees to make and forever to repair and maintain all such drainage easements and drainage structures on the demised premises, making good nevertheless at his own expense, all damage which may be caused to the said drainage easements and structures on the demised land, and purchaser agrees to repair at his own expense, all damage to any structure on any lot which may be caused directly or indirectly, by his obstructing, blocking or filling any such drainage easements. The construction of any improvement and/or the maintenance of the drainage easement (the area of a Lot located outside of the building site envelope)

shall be subject to the approval of the Yavapai County Building Department and Yavapai County Flood Control Committee.

18. Architectural Review Committee: The Architectural Review Committee shall be composed of five (5) persons who own Lot(s) in this subdivision. Such Committee shall be appointed by the Board of Directors of the I C R Water Users Association. The Committee shall serve and act in accordance with the terms of the Bylaws of the I C R Water Users Association, as amended from time to time. Notwithstanding the language set forth above in this Section 18, all powers, duties and rights vested in or given to the Architectural Review Committee in this Declaration shall be vested in and exercised exclusively by the Declarant or a committee of three (3) persons duly appointed by Declarant until such time as fifty-one (51) Lots in the Property shall have been sold by the Declarant, at which time all such powers, duties and rights shall vest in and be exercised by the Architectural Review Committee subject to the Bylaws of the I C R Water Users Association.

19. Abandoned or Inoperable Vehicles: No vehicle of any type which is abandoned or inoperable shall be stored, parked, or in any manner kept on any lot within this subdivision (or street if the subdivision contains private streets) in such a manner so that is can be seen from any other lot or from any streets or alleyways within this subdivision.

20. Repair, Maintenance and Storage of Vehicles: No repair or maintenance work shall be performed on any motor vehicle or other piece of equipment except wholly inside an enclosed garage.

Recreational vehicles, camper trailers, camper shells, boats, bikes, etc. shall be parked behind the rear plane of the house.

21. Natural Environment: The natural trees and shrubs are one of the development's major attractions. Every lot owner should do everything possible to preserve them. In the event trees must be cut, lot owners are encouraged to replace them.

22. I C R Water Users Association. A lot owner is automatically a member of I C R Water Users Association and is entitled to one voting right upon connection with and to the water system. There shall be a refundable meter charge payable to I C R Water Users Association. A lot owner will be charged an additional cost as and for connection to the water system. The additional amount of the water meter charge and any additional charges shall be set from time to time by the I C R Water Users Association.

23. Dominant Tenement: Each of the lots in said tract shall constitute the dominant tenement and be entitled to the benefit of the covenants herein contained as against all of the other lots in said tract which shall constitute the servient tenements.

24. Covenants To Run With The Land: These covenants are to run with the land and shall be binding on the undersigned and all of its successors in title, interest or possession in all and every part of said premises for twenty-five (25) years, and thereafter said covenants shall be automatically extended for successive periods of ten (10) years, unless and until the owners of a majority of the lots affected hereby amend or revoke the same by

written instrument, duly acknowledged and recorded. These covenants may be amended at any time after the original twenty-five (25) year term has expired.

25. Deeds: Deed(s) conveying or encumbering all or any of the lots in this subdivision shall incorporate by reference all of the provisions contained in this document; however, whether or not recited in the deed(s) of conveyance, these restrictions as recited herein or any amendments in the future shall be binding on every owner of every lot in the subdivision.

26. Enforcement: The Declarant or the Architectural Review Committee, by and through the Board of Directors of the I C R Water Users Association, or any Lot Owner shall have the right to enforce, by proceedings at law or in equity, all or any of the restrictions, covenants or conditions (Restrictions) set forth in this Declaration, or any amendments thereto, including, but not limited to the right to prevent the violation of any of said Restrictions and the right to recover damages, costs, and attorney's fees incurred and other sums for such violations, together with interest thereon at the rate of ten percent (10%) per annum from the date of expenditure of any monies.

27. Nonwaiver: Failure by the Declarant, Architectural Review Committee or any Lot Owner to enforce any Restriction or provision herein contained in any certain instance or on any particular occasion, shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.

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28. Cumulative Remedies: All rights, options and remedies of Declarant, the Architectural Review Committee or the Lot Owners under this Declaration are cumulative, and no one of them shall be exclusive of any other, and Declarant, the Architectural Review Committee and a Lot Owner(s) shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

29. Severability: Invalidation of any one or a portion of these covenants, conditions and restrictions or provisions set forth in this Declaration or in the Bylaws or Rules of the I C R Water Users Association, by judgment or court order shall not affect any other covenants, condition, restriction or provision contained herein or therein which shall remain in full force and effect.

30. Construction: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a first class, single family residential community and for maintenance of the Property. The section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions or interpretation or construction.

31. Gender and Number: Whenever the context of this Declaration requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.

32. Nuisance: The result of every act or omission whereby any provision or Restriction contained in this Declaration is violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity against a nuisance, either public or private, shall be applicable with respect to the abatement thereof and may be exercised by the Declarant, Architectural Review Committee or any Lot Owner. Such remedy shall be deemed cumulative to all other remedies set forth in this Declaration and shall not be deemed exclusive.

33. Attorneys' Fees: In the event any action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment reasonable attorneys' fees and costs of suit.

34. Notices: Any notice to be given to a Lot Owner or the Declarant or the Architectural Review Committee under the provisions of this Declaration shall be in writing and shall be delivered as follows:

(a) Notice to a Lot Owner shall be delivered personally or by registered or certified United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Declarant or Architectural Review Committee for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Lot Owner's Lot in this subdivision or the address then set forth in the public records of Yavapai County for the mailing of real property taxes. In the case

of Co-Owners, any such notice may be delivered or sent to any one of the Co-Owners on behalf of all Co-Owners and shall be deemed delivered to all such Co-Owners. Any notice so deposited in the mail shall be deemed delivered upon the date of receipt.

(b) Notice to the Declarant or Architectural Review Committee shall be delivered by registered or certified United States mail, postage prepaid, addressed to the office of the statutory agent of the I C R Water Users Association ("Association") or to any other address designated as the known place of business for the Association pursuant to the Articles of Incorporation or otherwise designated by the Board. Any notice so deposited in the mail shall be deemed delivered upon the date of receipt.

35. Effect of Declaration: This Declaration is made for the purposes set forth in the recitals in this Declaration and Declarant makes no warranties or representation, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances, regulations and the like applicable thereto. Declarant shall have no liability whatsoever if any of the provisions of this Declaration are determined to be unenforceable in whole or in part or under certain circumstances.

36. Personal Covenant: To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owner of such Lot and Declarant, other Owners or the Architectural Review Committee, such personal covenant shall terminate and be of no

further force or effect from and after the date when a person or entity ceases to be a Lot Owner except to the extent this Declaration provides for personal liability with respect to any liens or charges incurred during the period a person/entity is an Owner.

37. Non-liability of Officials: To the fullest extent permitted by law, neither the Declarant nor the Association nor any officer, agent or employee or member of the Association, or Declarant shall be liable to any Lot Owner for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, or negligence if a member of the Architectural Review Committee or officer acted in good faith within the scope of his or their duties.

38. Annexation of Additional Property: Declarant shall have the right to annex other land owned by it into the coverage of this Declaration by recording, in the office of the Recorder of Yavapai County, Arizona, a Declaration of Annexation describing the additional real property to be bought within the coverage of this Declaration. Any such Declaration of Annexation may supplement this Declaration with such additional provisions as Declarant may deem appropriate for the real property annexed.

39. Owner Liability and Indemnification: Each Lot Owner shall be liable to the remaining Lot Owners for any damage to the Common Area, Tracts A, B, C and D, that may be sustained by reason of the negligence of the Lot Owner or such Lot Owner's family

members, tenants, guests or invitees, but only to the extent that any such damage is not covered by casualty insurance in favor of the remaining Lot Owners or Declarant or the Association. Each Lot Owner, by acceptance of a deed for a Lot, agrees personally and for family members, tenants, guests and invitees to indemnify each and every other Lot Owner and Declarant and to hold such other Lot Owners and Declarant harmless from, and to defend such Owners and Declarant against any claim of any person for personal injury or property damage occurring within the Common Area, Tracts A, B, C and D, except to the extent (a) that such injury or damage is covered by liability insurance in favor of the remaining Lot Owners or Declarant.

40. Conflicting Provisions: In the case of any conflict between this Declaration and the Bylaws, or Association Rules, this Declaration shall control.

41. Amendments by Declarant: Declarant (without obtaining the approval of Lot Owners, the Association or existing Lenders) may unilaterally, and in its sole discretion, amend or modify this Declaration at any time prior to the sale of fifty-one (51) Lots in this subdivision for any reason Declarant shall determine to be reasonable and/or necessary.

42. Protection of Declarant Rights: Any amendment shall not terminate or decrease any unexpired right of Declarant, or period of Declarant control, unless the Declarant approves or consents in writing.

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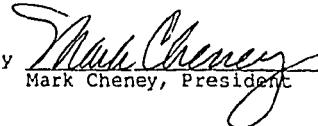
3135 PAGE 545

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43. Execution of Amendments: An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder of Yavapai County, Arizona. An amendment which requires the affirmative written assent or vote of the Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment has been so approved, and when the amendment has been recorded in the office of the County Recorder of Yavapai County, Arizona.

44. Subordination: Nothing contained in this Declaration shall be held to invalidate the lien of any mortgage or deed of trust prior to foreclosure, provided, however, that any purchase at any mortgage or trustee's sale shall take and hold title subject to all of the provisions hereof.

YAVAPAI-COCONINO TITLE AGENCY, INC.
TRUSTEE UNDER ITS TRUST NO. 338

By 
Mark Cheney, President

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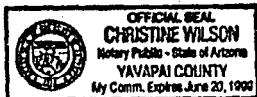
STATE OF ARIZONA)
COUNTY OF YAVAPAI) SS.

On this 20th day of Sept., 1995, before me the undersigned Notary Public, personally appeared Mark Cheney, who acknowledged himself to be the President of Yavapai-Coconino Title Agency, Inc., an Arizona corporation, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires: 6-20-99

Christine Wilson
NOTARY PUBLIC



B:\Agreements2\Inscrip2.ccr

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When recorded return to:
FOLDER
Attention: Mark Cheney
Yavapai-Coconino Title Agency
Trust 338

INSTRUMENT # 9633706
OFFICIAL RECORDS OF
YAVAPAI COUNTY
MARGO W. CARSON
REQUEST OF:
WILLIAMSON VALLEY INVESTORS
DATE: 06/18/96 TIME: 08:00
FEE: 5.00 SC: 4.00 PT:
BOOK 3225 PAGE 829 PAGES: 002

BK FEE
MAP
PC
1 900

DECLARATION OF ANNEXATION AND CORRECTION TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

YAVAPAI-COCONINO TITLE AGENCY, INC., an Arizona Corporation, as Trustee under Trust No. 338, being the record owner of the majority of the property described herein, does hereby correct that Declaration of Covenants, Conditions and Restrictions recorded in Book 3126 of Official Records, page 827, records of Yavapai County, Arizona and as corrected and re-recorded in Book 3135 of Official Records, page 526, records of Yavapai County, Arizona and does hereby declare that paragraph A on page 1 is hereby corrected to read as follows:

RECITALS

A. Declarant intends to acquire other real property located in the County of Yavapai, which will be annexed into the coverage of this Declaration pursuant to Section 38 hereof. The term "Property" as used herein shall include the property hereinabove described and any other property annexed into the coverage of this declaration.

The above covenants and restrictions shall continue to apply and be appurtenant to each to and run with the title to said lots. No other portions of said Declaration are corrected except as shown, and shall remain in full force and effect.

Also, according to the provisions of the aforementioned Section 38, we do hereby Annex the following described property into the coverage of said Declarations:

Lots 29 - 31, inclusive, 61, and 68 - 79 inclusive, INSCRIPTION CANYON RANCH SUBDIVISION, UNIT ONE, PHASE TWO, recorded in Book 33 of Maps, pages 43-44, inclusive, records of Yavapai county, Arizona.

• 3225 PAGE 829

Dated this 31st day of May, 1996.

YAVAPAI-COCONINO TITLE AGENCY, INC., an Arizona Corporation, as Trustee under its Trust No. 338

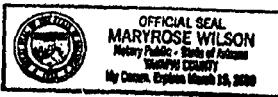
BY: Mark F. Cheney

Mark F. Cheney
Its President and Sr. Trust Officer

STATE OF ARIZONA)
County of Yavapai) ss

On this the 3rd day of May, 1996, before me, the undersigned officer, personally appeared Mark F. Cheney, who acknowledged himself to be the President and Sr. Trust Officer of YAVAPAI-COCONINO TITLE AGENCY, INC., An Arizona Corporation, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation, by himself as such officer.

In witness whereof I have hereunto set my hand and official seal.



Maryrose Wilson
Notary Public

My commission will expire: 3-15-2000

BOOK 3225 PAGE 830

When recorded return to:

Williamson Valley Investors
P.O. Box 4413
Prescott, AZ 86302

3041079 BK 3572 PG 42
Yavapai County
Patsy Jenney-Colon, Recorder
05/20/1998 10:41A PAGE 1 OF 2
WILLIAMSON VALLEY INVESTORS
RECORDING FEE 5.00
SURCHARGE 4.00
POSTAGE 1.00

**AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
(Incription Canyon Ranch Subdivision, Unit One;
Unit Two, Phase One; Unit Two, Phase Two; Unit Three)**

WHEREAS, a Declaration of Covenants, Conditions and Restrictions was recorded in the Office of the Recorder of Yavapai County, Arizona for each of the above-described subdivision units as follows:

1. UNIT ONE - recorded December 18, 1995 in Book 3126, Page 827.
2. UNIT TWO, PHASE ONE - recorded April 24, 1998 in Book 3565, Page 672.
3. UNIT TWO, PHASE TWO - recorded April 24, 1998 in Book 3565, Page 672.
4. UNIT THREE - recorded January 20, 1998 in Book 3593, Page 383.

said documents hereinafter being referred to as the "Declaration(s)".

WHEREAS the Declaration(s) covers those Lots (the "Lots") established by the Plats of Incription Canyon Ranch Subdivision recorded as follows:

1. UNIT ONE - Book 32 of Maps, pages 38-41.
2. UNIT TWO, PHASE ONE - Book 36 of Maps, page 69.
3. UNIT TWO, PHASE TWO - Book ___ of Maps, page ___.
4. UNIT THREE - Book 35 of Maps, page 100.

WHEREAS the Declaration(s) include the terms "all Common Area, Private Roadways" in the description of the Lot(s) area covered by the Declaration(s).

WHEREAS the Plats above referred to do not include or provide for common area or private roadways.

NOW, THEREFORE, pursuant to Section 41, AMENDMENTS BY DECLARANT and applicable law, the undersigned hereby modifies the Declaration(s), effective immediately, as follows:

'The terms "all Common Area, Private Roadways" set forth in those portions of the Declaration(s) describing the Lot(s) is herewith deleted for the reason that there are not any Common Area or Private Roadways in the within described Units and Phases'.

In all other respects the Declaration(s) are herewith ratified and confirmed as stated in the record.

IN WITNESS WHEREOF, the undersigned has executed these presents as of the ___ day of May, 1998.

Yavapai - Coconino Title Agency, Inc., as Trustee
under its Trust No. 338 and Trust No. 356.

By Alvin Allen
Title Trust Officer

c:\realesta\williamvly.amd

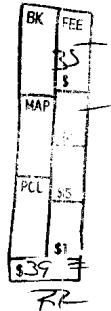
YCTA (funder)
Attn: Alan Abare

3256361 BK 3752 PG 735
Yavapai County
Patsy Jenney-Colon, Recorder
05/08/2000 11:45A PAGE 1 OF 35
WILLIAMSON VALLEY INVESTORS LLC
RECORDING FEE 35.00
SURCHARGE 4.00
POSTAGE 0.00

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
INSCRIPTION CANYON RANCH P.A.D., SOUTH
Unit Four- Phase One**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and entered into as of May , 2000, by Williamson Valley Investors II, an Arizona limited liability company (the "Declarant"), Beneficiary under Yavapai-Coconino Title Agency, Inc. Trust No. 356.

WITNESSETH:



WHEREAS, Declarant is the owner of certain property in the County of Yavapai, State of Arizona, which is more particularly described as follows:

Lots 181 - 219, INSCRIPTION CANYON RANCH P.A.D., SOUTH, UNIT FOUR-PHASE ONE, according to the plat of record in the office of the County Recorder of Yavapai, County, Arizona, recorded in Book 40 of Maps, Pages 89-90.

WHEREAS, Declarant at this time includes in this Declaration and imposes these covenants, conditions and restrictions upon only the Lots and other areas situated within Inscription Canyon Ranch P.A.D., South, Unit Four, Phase One, but may, subsequent to the date of this Declaration desire to include or annex in this Declaration additional phases for Inscription Canyon Ranch P.A.D., South, Unit Four, as provided for in Section 9.5 below.

NOW, THEREFORE, Declarant hereby declares that all of the Property described herein, and that Additional Property which shall be annexed by the Declarant as set forth on future plats of Inscription Canyon Ranch P.A.D., South, Unit Four shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, and liens, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and shall be binding on and inure to the benefit of all parties having or acquiring any right, title, or interest in the Property or any part thereof, their heirs, successors or assigns.

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ARTICLE 1

DEFINITIONS

1.1 **Additional Property** means any other real Property, together with the Improvements situated thereon, which is subsequently made subject to this Declaration by Amendment thereto.

1.2 **Architectural Rules** means the rules and guidelines adopted by the Board pursuant to Section 5.2 of this Declaration, as amended or supplemented from time to time.

1.3 **Articles** means the Articles of Incorporation of Quality Home Management, Inc. as amended from time to time.

1.4 **Assessable Property** means each Lot or Parcel.

1.5 **Assessment** means a charge as described in Section 4.2.

1.6 **Assessment Lien** means the lien created and imposed by Section 4.

1.7 **Board** means the Board of Directors of Quality Home Management, Inc.

1.8 **Bylaws** means the Bylaws of Quality Home Management, Inc. as amended from time to time.

1.9 **Common Area** means all land, and the improvements thereon, which the Declarant indicates on a recorded subdivision plat, Tract Declaration, or other recorded instrument is to be conveyed to Quality Home Management, Inc. for the benefit and use of the Members, or used for landscaping, drainage or water retention for the benefit of the Project or the general public.

1.10 **Declarant** means Williamson Valley Investors II, L.L.C., an Arizona limited liability company, and any Person to whom it may expressly assign any or all of its rights under this Declaration by a recorded instrument.

1.11 **Declaration** means this Master Declaration of Covenants, Conditions and Restrictions, as amended or supplemented from time to time.

1.12 **Development Plan** means the Development Plan for the Project as approved by Yavapai County, Arizona, as the plan may be amended from time to time.

1.13 "Equestrian Lot" means a Lot designated by the Declarant as a Lot where horses may be kept.

1.14 "Improvement" means any building, fence, wall, or other structure or any swimming pool, road, driveway, parking area or any trees, plants, shrubs, grass, or other landscaping of any type or kind.

1.15 "Lessee" means the Lessee or tenant under a lease, oral or written, of any Lot, including an assignee of a lease or a sublessee.

1.16 "Lot" means a portion of the Project intended for independent ownership and use, and designated as a Lot on a subdivision plat, and, where the context indicates or requires, shall include any building, structure, or other Improvements situated on the Lot.

1.17 "Member" means any Person who is a Member of Quality Home Management, Inc.

1.18 "Occupant" means any Person other than an Owner who occupies or is in possession of a Lot or Parcel, or any portion thereof or building or structure thereon, whether as a Lessee or otherwise, other than on a merely transient basis (and shall include, without limitation, a Resident).

1.19 "Owner" means the record Owner, including Declarant, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Lot. Owner shall not include Persons having an interest in a Lot merely as security for the performance of an obligation or a Lessee. Owner shall include a Purchaser under a contract for the conveyance of real Property subject to the provisions of A.R.S. Section 33-741, et. seq. Owner shall not include a Purchaser under a purchase contract and receipt, escrow instructions, or similar executory contracts which are intended to control the rights and obligations of the parties to the executory contract pending the closing of a sale or purchase transaction. In the case of Lots the fee simple title to which is vested in a trustee pursuant to A.R.S. Section 33-801, et. seq., the Trustor shall be deemed to be the Owner. In the case of Lots, the fee simple title to which is vested in a Trustee pursuant to a subdivision trust agreement or similar instrument, the beneficiary of such trust who is entitled to possession of the trust Property shall be deemed to be the Owner.

1.20 "Parcel" means any area of real Property in the Project, and all Improvements situated thereon, shown as a separate parcel of land on the Development Plan, provided, however, that in the event a Parcel is split in any manner into portions under separate ownership (other than by subdivision of the Parcel by recordation of a subdivision plat into Lots), then each portion under separate ownership shall

thereafter constitute a separate Parcel. If two or more contiguous parcels of land are owned by the same Person, they shall be considered one Parcel for purposes of this Declaration. A Parcel shall cease to be a Parcel when it has been fully subdivided into Lots.

1.21 "Person" means a natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental agency or subdivision, or other legal or commercial entity.

1.22 "Property" or "Project" means the real property described on Page One of this Declaration, together with all Improvements situated thereon, and all real Property and all Improvements situated thereon which are annexed and subjected to this Declaration pursuant to Section 2.2 of this Declaration.

1.23 "Project Documents" means this Declaration, the Articles, Bylaws, and Quality Home Management, Inc. Rules.

1.24 "Purchaser" means any Person, other than the Declarant, who by means of voluntary transfer becomes the Owner of a Lot, except for: a) a Person who purchases a Lot and then leases it to the Declarant for use as a model in conjunction with the sale or lease of other Lots; or b) a Person who, in addition to purchasing a Lot, is assigned any or all of the Declarant's rights under this Declaration.

1.25 "QHM" means Quality Home Management, Inc., a nonprofit Arizona corporation to be organized by Declarant to administer and enforce the Project Documents and to exercise the rights, powers and duties set forth therein, and its successors and assigns.

1.26 "QHM Rules" means the rules adopted by the Board pursuant to Section 3.3 of this Declaration, as amended or supplemented from time to time.

1.27 "Resident" means each natural person occupying or residing in any Lot.

1.28 "Single Family" means a group of one or more natural 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, who maintain a common household in a Lot.

1.29 "Visible From Neighboring Property" means, 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 any adjoining Lot.

ARTICLE 2

DEVELOPMENT PLAN

2.1 General Declaration. As the Property has been subdivided into various Lots, and it is intended that the Property so subdivided shall be sold and conveyed to Purchasers, Declarant hereby declares that all the Property subject hereto is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved, or transferred in whole or in part, subject to this Declaration, as amended or modified from time to time. This Declaration is declared and agreed to be in furtherance of a general plan for the subdivision, improvement, and sale of the Property, and is established for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Property and every part thereof. All of this Declaration and any amendments hereto shall run with all of said Property for all purposes and shall be binding on and inure to the benefit of and be enforceable by the Declarant, Quality Home Management, all Owners and their successors in interest.

2.2 Annexation of Additional Property. The Declarant shall have the right to annex and subject to this Declaration any Additional Property without the consent of any other Owner or Person. Any such annexed lands shall comply with the provisions of this Declaration or any amendments hereto.

2.3 Withdrawal of Property. The Declarant shall have the right to withdraw Property from the Project without the consent of any other Owner or Person (other than the Owner of such property, if other than the Declarant). The withdrawal of all or any portion of the Project shall be effected by the Declarant recording with the County Recorder of Yavapai County, Arizona, a Declaration of Withdrawal setting forth the legal description of the Property being withdrawn. Upon the withdrawal of any Property from the Project pursuant to this Section, such Property shall no longer be subject to any of the covenants, conditions and restrictions set forth in this Declaration.

2.4 Disclaimer of Representations. Declarant makes no representations or warranties whatsoever that:

- (a) the Project will be completed in accordance with the plans for the Project as they exist on the date that this Declaration is recorded,
- (b) any Property subject to this Declaration will be committed to or developed for a particular use or for any use,
- (c) any Property not now subject to this Declaration will be subjected to the provisions hereof, or
- (d) the use of any Property subject to this Declaration will not be changed in the future.

Nothing contained in this Declaration and nothing which may be represented to a Purchaser by real estate brokers or agents representing the Declarant or any other party shall be deemed to create any implied covenants, servitudes or restrictions with respect to the use of any Property subject to this Declaration or any Additional Property.

2.5 Development Plan. Notwithstanding any other provision of this Declaration to the contrary, the Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to the Development Plan with respect to any Property owned by the Declarant in any way which the Declarant desires, including, but not limited to, changing the nature and extent of the uses to which the Property may be devoted. Inscription Canyon Ranch P.A.D., South, Unit Four is currently planned to be developed in four phases and will comprise approximately 143 Single Family Lots. Some of the Lots will be designated as Equestrian Lots by the Declarant on the plat which will be recorded in the Office of the Recorder of Yavapai County, Arizona for each phase. Phase One consists of thirty-nine (39) Single Family Lots with Lots 181 and 182 designated as Equestrian. Water service is provided by the I C R Water Users Association and sewer by the I C R Sanitation District. One or both of these entities may be privatized in the near future.

ARTICLE 3

QUALITY HOME MANAGEMENT, INC.

3.1 Formation. QHM shall be a nonprofit Arizona corporation charged with the duties and vested with the powers prescribed by law and set forth in the Articles, the Bylaws and this Declaration. In the event of any conflict or inconsistency between this Declaration and the Articles, Bylaws, or QHM Rules, this Declaration shall prevail.

3.2 Board of Directors and Officers. The business of QHM shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles or the Bylaws. Unless the Project Documents specifically require the vote or written consent of the Members, approvals or actions to be given or taken by QHM shall be valid if given or taken by the Board. The Board may appoint various committees at its discretion.

3.3 Rules. The Board may, from time to time, and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations pertaining to:

- (a) minimum standards for the maintenance of Lots,
- (b) the health, safety or welfare of the Owners, Lessees and Residents,
- (c) Architectural Rules as provided for in Section 5.2, or
- (d) any other subject within the jurisdiction of QHM.

In the event of any conflict between this Declaration and QHM Rules, this Declaration shall prevail.

3.4 Personal Liability. No Member of the Board or any committee of QHM, no officer of QHM, and no manager or other employee of QHM shall be personally liable to any Member, or to any other Person, including QHM, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of QHM, the Board, the manager, any representative or employee of QHM, or any committee, committee Member or officer of QHM, provided, however, that the limitations set forth in this Section shall not apply to any Person who has failed to act in good faith or has engaged in willful or intentional misconduct.

3.5 Membership. Membership in QHM shall be limited to Owners of Lots. An Owner of a Lot which is Assessable Property shall automatically, upon becoming an Owner thereof, be a Member of QHM and shall remain a Member of QHM until such time as his Ownership ceases for any reason, at which time his membership in QHM shall automatically cease. Membership in QHM shall be appurtenant to each Lot which is Assessable Property and may not be separately assigned, transferred or conveyed. Except as provided in Section 3.6(b), each such Owner shall have one membership for each Lot owned by the Member, and each membership shall entitle its Owner to one (1) vote in QHM.

3.6 Voting Classes. QHM shall have two classes of voting memberships:

(a) **Class A.** Class A memberships shall be all memberships, except the Class B membership held by Declarant, and each Owner shall be entitled to one vote for each Class A membership held by such Owner.

(b) **Class B.** There shall be one Class B membership which shall be held by Declarant. The Declarant, as the holder of the Class B membership, shall be entitled to four (4) votes for each Lot owned by the Declarant. The Class B membership shall cease and be converted to Class A memberships, on the happening of the first of the following events:

- (i) The first day of January, 2020, or
- (ii) At any time by written notice to QHM that Declarant wishes to convert all Class B memberships to Class A memberships.

3.7 Voting Procedure. A change in the ownership of a Lot or Parcel shall be effective for voting purposes from the time the deed or other instrument effecting such change is recorded. The new Owner of the Lot shall thereafter give written notice to the Board of such change and provide satisfactory evidence thereof. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that a Lot is owned by more than one Person and such Owners are unable to agree among themselves as to how their vote or votes shall

be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Lot, it will thereafter be conclusively be presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast by a Class A Member for a particular Lot, none of the votes shall be counted and all of the votes shall be deemed void.

3.8 Transfer of Membership. The rights and obligations of any Member other than the Declarant shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an Owner's Lot, and then only to the transferee of ownership of said Lot. A transfer of Ownership to a Lot may be effected by deed, intestate succession, testamentary disposition, foreclosure, or such other legal process as is now in effect or as may hereafter be established under or pursuant to the applicable law. Any attempt to make a prohibited transfer shall be void. Any transfer of Ownership of a Lot shall operate to transfer the Membership appurtenant to said Lot to the new Owner thereof. Each Purchaser of a Lot shall give QHM written notice of his purchase of a Lot.

3.9 Suspension of Voting Rights. If any Owner fails to pay any Assessments or other amounts due to QHM under the Project Documents within fifteen (15) days after such payment is due, or if any Owner violates any other provision of the Project Documents and such violation is not cured within fifteen (15) days after QHM notifies the Owner of the violation, the Board of Directors shall have the right to suspend such Owner's right to vote until such time as all payments, including interest and attorney's fees, are brought current, and until any other infractions or violations of the Project Document are corrected.

3.10 Effect of Annexation of Additional Property. Throughout this Declaration, reference is made to the inclusion or annexation of additional Lots or phases at some future date. Declarant, in the spirit of full disclosure, fully intends to annex one or more additional phases to this Phase One of substantially the same character and construction as to be built in Phase One. This may delay the complete conversion of Class B memberships to Class A memberships, but should provide a larger quantity of Class A Members.

ARTICLE 4

COVENANT FOR ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned by it, hereby covenants and agrees, and each Owner, other than the Declarant, by becoming the Owner of a Lot, is deemed to covenant and agree, to pay Assessments to QHM in accordance with this Declaration. All Assessments shall be established and collected as provided in this Declaration. The Assessments, together with interest, late charges, and all costs, including but not

limited to reasonable attorney's fees incurred by QHM in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which the Assessment was made. Each Assessment, together with interest, late charges, and all costs, including but not limited to reasonable attorney's fees incurred by QHM in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall also be the personal obligation of the Person who was the Owner of the Lot at the time the Assessment became due. The personal obligation for delinquent Assessments shall not pass to the successors in interest of the Owner unless expressly assumed by them.

4.2 Purpose of Assessments. The Board shall have the right to establish Assessments to provide for the operation and management of QHM and to provide funds for QHM to pay all common expenses and to perform its duties and obligations under the Project Documents, including, but not limited to, promoting the recreation, health, safety and welfare of the residents of the Property, for the improvement and maintenance of the Common Area, and the establishment of reasonable reserves for replacements, maintenance and contingencies.

4.3 Notice of Assessments. The Board shall give notice of the Assessment to each Owner at least thirty (30) days prior to the due date of the Assessment, but the failure to give such notice shall not affect the validity of the Assessment, nor relieve any Owner from its obligation to pay the Assessment.

4.4 Rate of Assessment. Assessments shall be fixed by the Board at a uniform rate for all Lots which shall share them equally. Assessments may be collected on either a one time basis for a specific purpose or as determined by the Board.

(a) There shall be a one time Assessment against each Lot which shall be payable upon its initial sale by Declarant.

(b) The Board shall assess each lot as necessary to pay expenses, including attorneys' fees and cost of litigation, which may be incurred by QHM in performing its role in administering and enforcing the Project Documents.

(c) So long as there is a Class B Membership, Lots owned by Declarant shall not be subject to Assessment, but Declarant shall be required to pay to QHM the difference between the cost of operating and administering QHM and the income from Assessments. The subsidy required of Declarant under this Section may be in the form of cash or "in-kind" contributions of goods or services, or in any combination of the foregoing. Any such "in-kind" contributions shall be valued at their then fair market value. When the Class B Membership ceases in accordance with Section 3.6 of this Declaration, Declarant shall no longer be required to subsidize the costs of operating and administering QHM, but all Lots owned by Declarant shall be subject to Assessment in the same way as any other Lot.

4.5 Billing and Collection Procedures. Assessments shall be collected as specified by the Board. The Board shall have the right to adopt rules and regulations setting forth procedures for making Assessments and for the billing and the collection of Assessments, provided that the procedures are not inconsistent with the provisions of this Declaration. The failure of QHM to send a bill to a Member shall not relieve any Member of his liability for any Assessment or charge under this Declaration, but the Assessment Lien therefore shall not be foreclosed until the Member has been given not less than thirty (30) days written notice prior to such foreclosure that the Assessment or any portion thereof is or will be due and the amount owing. Such notice may be given at any time prior to or after delinquency of such payment.

4.6 Effect of Nonpayment of Assessments: Remedies of QHM.

4.6(a) Any Assessment, or any installment of an Assessment, not paid within thirty (30) days after the due date of the Assessment, shall bear interest at the rate established from time to time by the Board. In addition, the Board may establish a late fee to be charged to any owner who has not paid any Assessment within thirty (30) days after said Assessment was due.

4.6(b) QHM shall have a lien on each Lot for all Assessments levied against the Lot and for all other fees and charges payable to QHM by the Owner of the Lot pursuant to this Declaration. Recording of this Declaration constitutes record notice and perfection of the QHM lien. QHM may, at its option, record a Notice of Lien setting forth the name of the delinquent Owner as shown in the records of QHM, the legal description of the Lot against which the Notice of Lien is recorded, and the amount claimed to be past due as of the date of the recording of the Notice, including interest, recording fees, and reasonable costs incurred in attempting to collect said lien, including but not limited to attorney's fees.

4.6(c) The Assessment Lien shall have priority over all liens or claims except for

- (i) tax liens for real property taxes,
- (ii) assessments in favor of any municipal or other governmental body, and
- (iii) the lien of any first deed of trust or first mortgage.

4.6(d) QHM shall not be obligated to release the Assessment Lien until all delinquent Assessments, interest, fines, reasonable attorney's fees, court costs, collection costs, and all other sums payable to QHM have been paid in full.

4.6(e) QHM shall have the right, at its option, to enforce collection of any delinquent Assessments together with interest, fines, reasonable attorney's fees, court costs, collection costs, and any other sums due to QHM in any manner allowed by law, including, but not limited to:

- (i) bringing an action at law against the Owner personally obligated to pay the delinquent Assessments, and such action may be brought without waiving the Assessment Lien securing the delinquent Assessments; or
- (ii) bringing an action to foreclose the Assessment Lien against the Lot in the manner provided by law. QHM shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, encumber and convey any and all Lots purchased at such sale.

4.7 Evidence of Payment of Assessments. Upon receipt of a written request by a Member or any other Person, QHM, within a reasonable time thereafter, shall issue to such Member or other Person a written certificate stating that all Assessments, interest, and other fees or charges have been paid with respect to any specified Lot as of the date of such certificate, or if all Assessments have not been paid, the amount of such Assessments, interest, fees and charges due and payable as of such date. QHM may make a reasonable charge for the issuance of such certificates, which charge must be paid before the certificate will be issued. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matters stated therein as against any bona fide Purchaser of, or lender on, the Lot in question.

4.8 Surplus Funds. The Board shall not be obligated to spend in any year all the Assessments and other sums received by it in such year, and may carry forward as surplus any balances remaining. QHM may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of QHM and the accomplishment of its purposes.

4.9 Additional Charges. The Board shall have the right to determine and levy reasonable fees for its administering of the Project Documents and fines for violations of Project Documents which shall be collected as specified by the Board.

(a) The Board shall have the right to levy reasonable fees for its review approval, inspections, and other duties associated with its oversight of Improvements to Owner's Lots under the Project Documents, which fee must be paid before the Board will perform such work.

(b) The Board shall have the right to require any contractor engaged by an Owner to make Improvements on the Owner's Lot to furnish to QHM prior to commencing construction a reasonable deposit or bond.

(c) The Board shall have the right to levy reasonable fines against an Owner for violations of Project Documents by the Owner, his family, tenants or guests, provided notice of the violation is given to the Owner and the Owner is given an opportunity for a hearing on the violation. Any fines levied by the Board

shall be secured by the Assessment Lien, and QHM may enforce collection of such fines in the same manner as provided in this Declaration for the collection of Assessments.

ARTICLE 5

ARCHITECTURAL CONTROL

5.1 Architectural Rules. The Board of Directors of QHM shall perform all QHM's duties under the Project Documents relating to architectural control. The Board may delegate such duties to one or more directors.

5.2 Scope of Guidelines. The Board shall promulgate architectural guidelines, standards, rules and procedures to be used in rendering its decisions. Such guidelines, standards, rules and procedures may include, without limitation, provisions regarding:

- (a) the size of residences,
- (b) architectural design, with particular regard to the consistency of the design with the theme of the development, surrounding structures, and the local topography,
- (c) placements of residences and other structures,
- (d) exterior color schemes, finishes, and materials,
- (e) general landscaping, content and conformance with the character of the Property and permitted and prohibited plants,
- (f) signage,
- (g) perimeter and screen wall or fence design and appearance, and
- (h) procedures to be followed in the review and approval process.

The decision of the Board shall be final on all matters submitted to it pursuant to this Declaration.

5.3 Liability. The Board may obtain liability insurance for its members. Neither the Board, nor any member thereof shall be liable to QHM, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of

- (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective,
- (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings or specifications, or
- (c) the development of the Property or of any Lot.

5.4 Waiver. The approval by the Board of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Board under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter

subsequently submitted for approval. The Board's interpretations may change as board members and local customs change, and the board may disapprove new applications for items previously approved, however, standards shall be applied to all Lots in a nondiscriminatory manner.

5.5 Prior Approval. No Improvement which would be Visible From Neighboring Property shall be constructed or installed on any Lot without the prior written approval of the Board. No addition, alteration, repair, change or other work which in any way alters the exterior appearance, including, but without limitation, the exterior color scheme of any part of a Lot or any Improvements located thereon, shall be made or done without the prior written approval of the Board. Any Owner desiring approval of the Board for the construction, installation, addition, alteration, repair, change or replacement of any Improvement on a Lot which would be Visible From Neighboring Property shall submit to the Board a written application for approval specifying in detail the nature and features of the proposed Improvement, along with plans, specifications, and any other information which the Board may request, together with any fee for review and/or inspection which may be established by the Board. An application is complete after an application and all supporting plans, information, documentation, or specifications required by the Board are submitted to it. In the event that the Board fails to approve or disapprove a complete application for approval and respond to the Owner in writing within fourteen (14) days after the complete application and fee were submitted, this section will be deemed to have been complied with and approval will not be required.

5.6 Grounds for Disapproval. The Board may disapprove plans and specifications for any construction, installation, addition, alteration, repair, change or other work which must be approved by the Board pursuant to this Section if the Board determines, in its sole discretion, that the proposed construction, installation, addition, alteration, repair, change or other work:

- (a) would violate any provision of this Declaration,
- (b) does not comply with any Board rule relating to architectural control,
- (c) is not in harmony with existing improvements in the Project or with Improvements previously approved by the Board but not yet completed,
- (d) is not aesthetically acceptable,
- (e) would be detrimental to or adversely affect the appearance or property values of the Project, or
- (f) is otherwise not in accord with the general plan of development for the Project.

5.7 Time for Completion. Upon receipt of approval from the Board for any construction, installation, addition, alteration, repair, change or other work, the Owner who had requested such approval shall begin to perform, construct, or make

the addition, alteration, repair, change or other work approved by the Board within six (6) months, and shall diligently pursue such work so that it is completed within twelve (12) months from beginning such work, or within such time as may be prescribed by the Board.

5.8 Changes to Plans. Any change, deletion or addition to the plans and specifications approved by the Board must be approved in writing by the Board.

5.9 Exception. The provisions of this Section do not apply to, and approval of the Board shall not be required for any Improvements made by the Declarant, provided, however, that the Declarant shall comply with all applicable laws, statutes, ordinances and regulations.

5.10 Other Approvals. The approval by the Board 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. The approval by the Board 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 Board or QHM as to the quality of such construction, installation, addition, alteration, repair, change or other work, nor that said work complies with any applicable building codes, or any other federal, state, or local law, statute, ordinance, rule, or regulation.

ARTICLE 6

USE RESTRICTIONS

6.1 Land Use Classifications. The purposes for which property within the Project may be used shall be determined by the land use classification of the property as established by recorded subdivision plat covering the property. Accordingly, as portions of the additional Property are readied for development in accordance with the Development Plan, various land use classifications may be fixed by Declarant in the recorded subdivision plat. Until a subdivision plat is recorded against a Parcel designating a particular land use classification, Declarant may designate the Parcel with any land use classification which may be permitted under the Development Plan and the County Zoning ordinance, as either may then exist. Unless otherwise specified in the recorded subdivision plat, all Lots within the Project shall be deemed to be classified for "Single Family Residential Use."

6.2 Contemplated Land Use Classifications. The land use classifications contemplated as of the date of this Declaration are:

- (a) "Single Family Residential Use" and
- (b) "Equestrian Lots," and
- (c) "Common Areas" (if any).

6.3 Changes in Land Use Classifications. Once a Parcel has been designated as having a particular land use classification, that classification may be changed only if:

- (a) the change is permitted under the County zoning ordinances (including a rezoning, if necessary), and
- (b) the change is approved either by the Declarant or the Board.

No Member, other than the Declarant as provided above, is entitled to vote on a change in land use classification.

6.4 Residential Use. "Single Family Residential Use" shall consist of detached residential units designed for use and occupancy by a Single Family. No trade or business shall be conducted on any Lot classified for Single Family Residential Use except that an Owner or other Resident of a Lot may conduct a business activity on a Lot so long as:

- (a) the business activity conforms to all applicable zoning requirements for the Lot including Section 109(A)(1), Home Occupation, Yavapai County, Arizona Planning & Zoning Ordinance,
- (b) the business activity is consistent with the residential character of the Project and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other Residents in the Project, as may be determined from time to time in the sole discretion of the Board,
- (c) the business activity is not apparent or detectable by sight, sound or smell outside the Lot, and
- (d) the business activity does not involve Persons coming onto the Lot or the door-to-door solicitation of Owners or other Residents in the Project.

The terms "business" or "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, other form of consideration, regardless of whether

- (a) such activity is engaged in full or part-time,
- (b) such activity is intended to or in fact does generate a profit, or,
- (c) a license is required for such activity.

The leasing of a Lot, along with its Improvements, shall not be considered a trade or business within the meaning of this Section.

6.5 Equestrian Lots. Horses shall be permitted to be kept only on Lots designated as Equestrian Lots on the plat recorded in the Office of the Recorder of Yavapai County, Arizona for each phase. Phase One consists of thirty-nine (39) Single Family Lots with Lots 181 and 182 designated as Equestrian. The Board shall establish the minimum standards for stable and corral construction; manure disposal; and odor, flies, and dust abatement.

6.6 Restriction on Further Changes. No Lot shall be further subdivided or separated into smaller Lots by any Owner other than the Declarant, and no portion or interest less than all of any such Lot shall be conveyed or transferred by any Owner other than the Declarant without the prior written approval of the Board. No further covenants, restrictions, conditions, or easements shall be recorded by any Person except Declarant against any Lot without prior written approval from the Board. No applications for rezoning, variances or use permits shall be filed with any governmental authority by any Person other than Declarant unless the application has been approved by the Board and the proposed use otherwise complies with this Declaration.

6.7 Variances. The Board may, in its sole discretion, grant variances from the restrictions set forth in this Article 6, if the Board determines that:

- (a) a restriction would create an unreasonable hardship or burden on an Owner, Lessee, or Resident,
- (b) a change of circumstances since the recordation of this Declaration has rendered such restriction obsolete, and
- (c) the activity permitted under the variance will not have any substantial adverse effect on the Owners, Lessees, and Residents of the Project, and is consistent with the high quality of life intended for Residents of the Project.

6.8 Temporary Occupancy. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary structure of any kind, shall be used for a residence, either permanent or temporary. Temporary buildings, trailers or other structures used during the construction of Improvements approved by the Board shall not be used for overnight occupancy and shall be removed immediately upon completion of construction; and in no event, shall such temporary structures remain on the Property longer than twelve months without the prior written approval of the Board.

6.9 Nuisances. No rubbish or debris of any kind shall be placed or allowed to accumulate upon or adjacent to any Lot, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such Property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof, or to the occupants of such other Property. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Property in the vicinity thereof or to

its occupants. Specifically, the discharge of fireworks, or sling devices shall be strictly prohibited within the Project. The Board in its sole discretion shall have the right to determine the existence of any such nuisance.

6.10 Construction Activities. Normal construction activities and parking in connection with the building of Improvements shall not be considered a nuisance or otherwise prohibited by this Declaration. Normal construction activities specifically do not include loud music or other non-construction noises which are audible from neighboring Lots. During normal construction activities and the building of Improvements, Lots shall be kept in a reasonably neat and tidy condition. Trash and debris shall not be permitted to accumulate. Damage and scarring to other Lots, open space, common areas, roads, driveways, and/or other Improvements during construction will not be permitted. The Owner of the Lot where the construction is taking place shall be obligated to ensure that the damage is repaired and/or restored within 60 days at the expense of the Owner or the person causing the damage. Construction work shall not commence prior to 6:00 a.m. and shall cease prior to 8:00 p.m. The provisions of Sections 6.8, 6.9, 6.10 and 6.11 shall not apply to the construction activities of the Declarant.

6.11 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot, except:

- (a) such machinery or equipment as is usual and customary in connection with the use, maintenance, or construction (during the period of construction) of a building, appurtenant structures, or other Improvements,
- (b) lawn and garden equipment, provided they are housed in a building and not Visible From Neighboring Property when not in use, and
- (c) that which the Declarant or QHM may require for the operation or maintenance of the Project.

6.12 Motor Vehicles. Except for emergency vehicle repair, no automobile or other motor vehicle shall be constructed, reconstructed or repaired upon a Lot or other Property in the Project, and no inoperable vehicle may be stored or parked on a Lot, Common Area, street, or other Property in the Project, so as to be Visible From Neighboring Property or be visible from any Common Area or any street. Motorcycles, mopeds, mini-bikes, trail bikes, all-terrain vehicles, or other similar vehicles shall not be operated on the Property, except on paved streets if the vehicle is equipped and licensed to be street legal.

6.13 Trucks, Trailers, Campers and Boats. No semi-trailer or commercial truck, motor home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on or adjacent to any Lot, Common Area, street, or other portion of the Property for more than seventy-two (72) hours during any seven (7) day period, except for:

- (a) temporary construction trailers, trucks, or facilities maintained during, and used exclusively in connection with construction of any Improvement approved by the Board, or
- (b) boats and vehicles parked in garages or on pads consisting of the same materials as permitted for driveways as set forth in Section 6.28 below, within fully fenced rear yards, behind the front line of the home, so long as such vehicles are in good operating condition and appearance, and not under repair.

6.14 Towing of Vehicles. The Board shall have the right to have any truck, motor home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer, or similar equipment or vehicle or any automobile, motorcycle, motorbike, or other motor vehicle which is parked, kept, maintained, constructed, reconstructed or repaired in violation of the Project Documents towed away at the sole expense of the owner of the vehicle or equipment. Any expense incurred by QHM in connection with the towing of any vehicle or equipment shall be paid to QHM upon demand by the owner of the vehicle or equipment. If the vehicle or equipment is owned by an Owner or Lessee, then any amounts payable to QHM shall be secured by an Assessment Lien against the Owner's Lot, and QHM may enforce collection of such amounts in the same manner provided for in the Declaration for the collection of Assessments.

6.15 Architectural Styles. Colonial, New England, French Country, Normandy, Tudor, Victorian, and related traditional styles, "A"-Frame, Geodesic Domes, Octagons, Ultra Modern styles, and styles with extreme roof slopes are prohibited. The intent is to restrict architectural styles to those which are native to or generally associated with the Southwest to create a cohesive development where the buildings and improvements will complement the beauty of the natural environment.

6.16 Height and Size Limits. No Single Family structure on any Lot shall have an elevation greater than thirty (30) feet from the ground upon which it sits (or the natural elevation of the ground where the structure is located if the level of the ground has been raised by fill or other means from its natural state). No Single Family structure on any Lot shall contain fewer than eighteen hundred (1800) square feet of livable space on the ground floor, excluding the garage.

6.17 Exterior Walls. The exterior finishing materials of all buildings and structures shall be approved by the Board which may request sample panels. Vinyl or aluminum siding is prohibited.

6.18 Exterior Color and Light Reflective Value (LRV). The exterior colors of all buildings and structures shall be approved by the Board based upon submitted sample color panels of both principal and accent colors. A maximum allowable LRV may be established by the Board for exterior colors. Exterior colors which exceed the established LRV will not be allowed. In general, dominant colors such as black,

white, and red; extremely bright colors; or colors approaching the primary range will not be allowed. The intent is that exterior colors be harmonious and compatible with the surrounding neighborhood and of colors natural to the surrounding environment and of low light-reflectivity.

6.19 Roofs. All roofs shall be of a material, texture, and color approved by the Board based upon sample submitted during the review process. The color of roofs must conform to the color and light reflective value (LRV) standards set forth in Section 6.18 above.

6.20 Solar Applications. All solar applications shall be approved in advance by the Board. Solar panels must be of a low profile and screened so that they will not be Visible From Neighboring Property. Solar collectors can result in excessive glare and reflection, and can only be approved if they will not be Visible From Neighboring Property.

6.21 Climate Control Units. Rooftop climate control units will not be permitted unless they are screened on all four sides by a parapet so that they are not Visible From Neighboring Property. No window-mounted units shall be permitted. Ground units must be screened so that they are not Visible From Neighboring Property or from the street.

6.22 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Lot, unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Board. No provision of this Declaration shall be deemed to prohibit the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Board. Notwithstanding the foregoing, utility meters and similar equipment may be placed on outside building walls when necessary to comply with any requirements or regulations of any public or private utility or governmental agency, provided that reasonable efforts shall be made to avoid placing any such meter or equipment on the outside front wall of a residence or other building facing the street.

6.23 Garages. Each improved property must include a minimum of a double car garage. No Carports shall be allowed. No garage or other building shall be erected on any Lot prior to the construction of the home. Garages shall be used only for parking vehicles and storage, and shall not be used or converted for living or recreational activities. The interior of all garages shall be maintained in a neat, clean and sightly condition. Garage doors shall be kept closed at all times except to the limited extent reasonably necessary to permit the entry or exit of vehicles or persons.

6.24 Detached Garages and Other Free-Standing Structures. No detached structures, including but not limited to, garages, barns, stables, sheds, greenhouses, gazebos, and guesthouses shall be erected without prior approval by the Board. All such structures must meet the setback requirements of Yavapai County's zoning ordinance and be located behind and at the rear of the main dwelling house, and not closer to the front of the Lot than the side plane of the house on a corner Lot. In the event an owner acquires a portion of any adjoining Lot or Lots, the foregoing measurements shall be made from the side property lines of the acquired property rather than from the side lot lines indicated on the recorded plat for the Project. Detached garages and guest houses must be constructed of the same material and exterior color as the primary residence. The intent is that Lots not become cluttered with multiple structures incongruous with the surroundings and that the aggregate square footage of such free-standing structures shall not exceed three hundred (300) square feet per Lot.

6.25 Ancillary Structures and Improvements. No ancillary structure or improvement, including but not limited to patios, patio covers, awnings, window covers or wrought iron guards shall be constructed without prior approval by the Board. Awnings must be retractable.

6.26 Recreation Improvements. Structures or facilities relating to recreation, play, or leisure-time activities shall not be installed without prior approval by the Board. Particular attention will be given to the visual and acoustic privacy of adjacent Lots and its time of use; and the installation will be subject to any stipulations imposed by the Board. It is within the discretion of the Board to refuse the installation or use of any recreation facility if it is so determined to have a negative impact on the community.

6.27 Ornamental Objects. Exterior ornamental objects such as but not limited to sculptures, fountains, ponds, statutes and plastic characters require approval by the Board and must be compatible with the architectural character of the neighborhood.

6.28 Driveways. Each improved property shall include a driveway consisting of decomposed or crushed granite, pavers, or poured concrete from the street to the garage. The color of the driveway shall be compatible with the natural surroundings, however, industry standard gray concrete driveways will be permitted.

6.29 Landscaping and Care of Properties. Each Owner shall maintain all landscaping on his Lot, including but not limited to trees, shrubs, hedges, ground coverings and plantings of any kind, neatly trimmed, properly maintained, and free of trash, weeds, and other unsightly material. Based upon a philosophy of maintaining compatibility with the surrounding environment, the use of indigenous and drought-resistant, water-conserving plants ensuring minimal water usage is encouraged. Owners are limited to twenty (20) non-indigenous trees per acre and

nine thousand (9,000) square feet of irrigated grass per Lot. Large scale grading or clearing of the natural vegetation shall not be allowed. All introduced boulders, rock features, retaining walls, and ground coverings shall be of colors natural to the surrounding area and harmonious with the surrounding features. Artificially-colored rocks and stone are prohibited.

6.30 Overhead Encroachments. No tree, shrub or planting of any kind on any Lot, Parcel or other property shall be allowed to overhang or otherwise encroach upon any sidewalk, street, or pedestrian way from ground level to a height of eight (8) feet without the prior approval of the Board.

6.31 Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

6.32 Fences. All fences or walls must be approved by the Board prior to construction. No fence or wall shall exceed six (6) feet in height. No front yard fencing shall be erected unless it is either decorative or retaining, and it must in any event be approved by the Board prior to its construction. The color of exterior walls and fences shall conform to the color and light reflective value (LRV) standards set forth in Section 6.18 above. Chain link fences will be allowed only if constructed of colored or low reflective galvanized metal. No barbed wire or slats in chain link will be allowed. Fences and/or corrals for horses and 4-H project animals must be of pipe, sucker rod, tan rail or chain link.

6.33 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size and style which are approved by the Board. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make same available for collection and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash or garbage shall be removed from Lots and shall not be allowed to accumulate thereon. Disposal of any type of chemical, cleaner, fuels, oils or any toxic or environmentally harmful material or dumping, burying or burning of trash are absolutely prohibited. The burning of plant materials (branches, weeds, and leaves) collected from the Owner's Lot is permitted subject to the Owner's obtaining a permit for such burning from the Central Yavapai Fire District. No outdoor incinerators shall be kept or maintained on any Lot.

6.34 Storage Tanks. No above-ground fuel or water tanks will be allowed unless totally enclosed and approved by the Board. Propane tanks must be buried or commercially painted an earth tone color of low light-reflectivity and totally screened so that they are not Visible From Neighboring Property or from the street.

6.35 Clothes Drying Facilities. No outside clotheslines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Lot so as to

be Visible From Neighboring Property.

6.36 Antennas and Satellite Dishes. Antennas or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, including, but not limited to direct television or conventional satellite or microwave dishes, shall not be erected, used or maintained on any Lot without the prior written approval of the Board. Ham radio towers will not be permitted unless telescoping.

6.37 Flags. Freestanding flag poles will be allowed with prior approval of the Board. No more than one flag of choice may be displayed per Lot. Notwithstanding the foregoing, but subject to reasonable regulation by the Board, Owners or Occupants of Lots may display additional flags and or banners over the Independence Day (July 4) holiday, provided that no such display shall be in place for longer than four (4) days.

6.38 Lights. All exterior lighting or illumination units or sources shall be shielded or partially shielded and shall not unreasonably direct light, either directly or through reflection, upon any adjacent property. Such exterior lighting shall be limited to that which is reasonably necessary to ensure the Occupant's safety and convenience, and subject to any other requirements which may be adopted by the Board. Notwithstanding the foregoing, but subject to reasonable regulation by the Board, Owners or Occupants of Lots may display temporary holiday lighting in November, December and January, provided that no such lighting shall be in place for longer than sixty (60) days. All exterior lighting shall conform to the Yavapai County Dark Sky Ordinance.

6.39 Windows and Coverings. No window in the front, sides, or rear of unfenced yard of any house shall at any time be covered with aluminum foil, bed sheets, newspapers, or any other like materials. Only proper drapes, blinds or shutters will be allowed. Prior to installation of any reflective materials for use on any building on the Property, approval and consent must be obtained from the Board.

6.40 Animals. No animals, birds, fowl, poultry, or livestock shall be kept, bred, or raised on any Lot, other than a reasonable number of dogs, cats, or other generally recognized household pets, and horses as permitted on Equestrian Lots; and then only if they are kept thereon solely as domestic pets and not for commercial purposes. The term "generally recognized household pets" specifically does not include exotic, feral, or non-domesticated animals; and wolves and wolf-hybrids. Notwithstanding the foregoing, 4-H project animals excluding poultry, fowl, or swine may be kept on any Lot as allowed by the Planning and Zoning Ordinances of Yavapai County, Arizona and with the approval of the Board. All pets shall be restrained within the boundaries of the Lot. Excessive barking and other animal noise and animal-related odors shall not be permitted to exist. Dogs shall be kept within structures or fences or on secured leashes. All dogs shall be leashed when on property not owned or occupied as tenant or guest by the dog's owner. Notwithstanding the foregoing, no

pets may be kept on or in any Lot which, in the opinion of the Board, result in an annoyance to other Owners or Occupants in the vicinity. Any decision rendered by the Board shall be enforceable in the same manner as other restrictions set forth in this Declaration.

6.41 Signs. The only signs permitted on any Lot shall be:

- (a) residential identification signs of width and length of (18) inches (18" x 18") or less for identification of the Occupant and/or its address,
- (b) one sign of customary size may be temporarily erected or posted on a Lot for the purpose of advertising the Lot for sale or construction, which shall be subject to limitations or restrictions as to such signs by the Board,
- (c) signs required by legal proceedings, and
- (d) yard sale or garage sale signs may be placed on the property and on appropriate corners on the day of the sale, but must be removed upon termination of the sale, and shall be subject to any additional limitations which may be adopted by the Board.

Notwithstanding the foregoing, the Declarant may erect any signs during construction and marketing of the subdivision, and this restriction shall not apply to QHM in furtherance of its powers and purposes herein set forth. All permitted signs must be professionally painted, lettered and constructed.

6.42 Violation of Law or Insurance. No Owner shall permit anything to be done on or kept on his Lot which will result in the cancellation of insurance maintained by any Owner, or which would be in violation of any law.

6.43 Fire/Building Repair. No Improvement on any Lot shall be permitted to fall into disrepair, and each such Improvement shall be at all times kept in good condition and repair and adequately painted or otherwise finished. In the event any Improvement is damaged or destroyed by a fire, act of God, or other event, then, subject to obtaining required approvals, the damage shall be immediately repaired or the Improvement shall be demolished.

6.44 Model Homes. Any provisions of this Declaration which prohibit non-residential use of Lots and regulate parking of vehicles shall not prohibit the construction and maintenance of model homes, including the use of same as sales offices, by Persons engaged in the construction of homes in the Project, or parking incidental to the visiting of such models, so long as the construction, operation and maintenance of the model homes otherwise comply with all provisions of this Declaration. Any homes or other structures constructed as models shall cease to be used as models at any time the Owner or Lessee thereof is not actively engaged in the construction and sale of homes in the Project, and no home or other structure shall be used as a model for the sale of homes or other properties not located in the Project. Neither the provisions of this Section nor any other Section of this

Declaration shall restrict or prohibit the right of the Declarant to construct, operate, and maintain model homes within the Project.

6.45 Declarant's Exemption. No provision in this Declaration shall be construed to limit or restrict Declarant's right to construct, develop and market Improvements on any and all Lots in the Project, in any manner deemed appropriate by Declarant.

ARTICLE 7

EASEMENTS

7.1 Owner's Easements of Enjoyment. Each Owner and each Occupant of such Owner's Lot, shall have a non-exclusive right and easement of enjoyment in, to, and over the Common Area, which right and easement shall be appurtenant to and shall pass with the title to each Lot. Said Owner's Easement of Enjoyment shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot, and such easement of enjoyment in and to the Common Area shall be deemed to be conveyed, transferred, alienated, or encumbered upon the sale of any Owner's Lot, notwithstanding the description in the instrument of conveyance or encumbrance may not refer to the Common Area.

7.2 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or other Occupant of a Lot, any member of the Board, or its authorized representative, shall have the right to enter upon and inspect any Lot, and the Improvements thereon, except for the interior portions of any completed Single Family structure for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

7.3 Declarant's Use for and Sales and Leasing Purposes. Declarant shall have the right and an easement to maintain sales or leasing offices, management offices and models throughout the Project and to maintain advertising, directional or identification signs on the Lots owned by Declarant in such number, of such size, and in such locations as Declarant deems appropriate. In the event of any conflict or inconsistency between this Section and any other provision of this Declaration, this Section shall control.

7.4 Declarant's Easements. Declarant shall have the right and an easement on and over the Lots owned by Declarant for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Project. The Declarant shall have the right and an easement upon, over and through the Lots as may be reasonably necessary for the purpose of discharging the obligations or exercising the rights granted to or reserved by the Declarant under this Declaration. In the event of any conflict or inconsistency between this Section and any other provision of this Declaration, this Section shall control.

7.5 Utility Easement. There is hereby created an easement upon, across, over and under the Lots for reasonable ingress, egress, installation, replacing, repairing, or maintaining of all utilities, including but not limited to, gas, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to install and maintain facilities and equipment on the Property and to affix and maintain wires, circuits and conduits on, in and under roofs and exterior walls of the Property. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on the Property except as initially developed and approved by the Declarant or thereafter approved by the Board and by ICR Sanitation District and/or ICR Water Users Association. This easement shall in no way affect any other recorded easements on the Property.

7.6 Easement for Ingress and Egress. There are hereby created easements for ingress and egress for vehicular and pedestrian traffic over, through, and across any Common Areas and all private streets, roadways, driveways and parking areas. Such easements shall run in favor of and be for the benefit of the Owners and Occupants of the Lots and Parcels and their guests, families, tenants and invitees.

7.7 Equestrian Easement. All easements designated on the recorded plat for each phase of the Project as "Equestrian Easement" and/or "Bridle Path" shall be used exclusively for riding horses, mules, donkeys or such other animal that may be ridden, for riding non-motorized bicycles, and for human walking or hiking. Vehicular use, including but not limited to motorcycles, motor scooters, ATV's, and automobiles, is prohibited. The utility easement as shown on Tract C on the recorded plat for Phase One of the Project shall also be used as an "Equestrian Easement" and/or "Bridle Path" subject to the same conditions and uses as set forth in this section.

7.8 Drainage Easement Class II. Easements across and over Lots 209 through 215 inclusive are hereby granted to Yavapai County and the Owners of this Project for drainage purposes as shown on the final recorded plat for Phase One of the Project in the areas marked "Drainage Easement Class II." The Owner(s) of the particular Lot or parcel which includes such a drainage easement is responsible for maintaining the drainage easement's condition as it was when the subdivision was approved by Yavapai County. Drainage easements conform to the natural or man-made watercourses and shall not be removed from the location existing at the time of the approval of the subdivision (unless approved by Yavapai County). These watercourses will require periodic maintenance to convey on-site or off-site discharges. Periodic maintenance will consist of the removal of earth and/or vegetative material that has built up since the original approval of the final plat for the Project. If the drainage easements are not adequately maintained, Yavapai County will not be responsible or liable for any damage, however, it has the authority to enter onto the site and maintain the drainage easements. If the County has to do the maintenance, the Owner(s) will be billed. Should court action

be necessary to collect these bills, the Owner(s) shall be responsible for attorneys' fees and court costs.

7.9 Drainage Easement. In addition to the Drainage Easement Class II provided for in Section 7.8 above, there is hereby created an easement for drainage of ground and surface water on, over and across each Lot, right-of-way, any Common Area and the Property, which shall be appurtenant to, burden or benefit each Lot, right-of-way, Common Area, or Property. Each Owner shall, at its own expense, design and construct drainage ways and channels on its Lot, and, as needed maintain the same in proper condition and free from obstruction. QHM shall have the right, after ten (10) days notice to an Owner, except in the case of emergency (in which case QHM shall have immediate right of access), to repair and otherwise maintain the drainage way or channel on said Owner's Lot, which QHM, acting through its Board, determines has not been maintained by the Owner in compliance with this Section. All costs and expenses, including reasonable attorney's fees, shall be borne by the Owner, and shall be paid to QHM upon demand, plus interest at an annual rate of twelve percent (12%) from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an Assessment, and collected in like manner as Assessments under this Declaration.

ARTICLE 8

MAINTENANCE

8.1 Lots. All Lots shall be kept free of rubbish, litter, and weeds, and maintained so as to present an attractive appearance. All landscaping shall be tended to and maintained in a neat and attractive condition. No yard equipment, wood piles or storage areas may be maintained so as to be Visible From Neighboring Property or streets. All buildings and structures on said Lots shall be kept in good condition and adequately painted or otherwise finished. In the event a building or structure is damaged or destroyed, then such building or structure shall be repaired or rebuilt or demolished to a presentable and safe condition in the time prescribed by the Board.

8.2 Improper Maintenance and Use of Lots. In the event any portion of any Lot is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or value of the surrounding Lots or other areas of the Property, or in the event any portion of a Lot is being used in a manner which violates this Declaration, or in the event that an Owner of a Lot is failing to perform any of its obligations under this Declaration, then the Board may make a finding to that effect, specifying the particular violation(s) which exist, and pursuant thereto give notice to the offending Owner that, unless corrective action is taken within thirty (30) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said thirty (30) day period of time the requisite corrective action has not been taken, then the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be paid by such Owner to QHM upon demand, or payments of such amounts shall be secured

by an Assessment lien.

8.3 Party Walls and Fences. Party fences shall consist of any fencing between contiguous Lots. The rights and duties of Owners with respect to party fences between Lots shall be as follows: The Owners of contiguous Lots who have a party fence shall both have an equal right to use such fence, providing that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner. In the event that any party fence is damaged or destroyed through the act of any Owner, or any Occupant, agent, guest or family member of that Owner, then it shall be the obligation of such Owner to rebuild and repair the party fence in a timely manner, without cost to the Owner of the adjoining Lot. In the event any party fence is damaged or destroyed, other than through an act of an Owner, or his Occupant, agent, guest or family member, then the cost of repairing or replacing said fence shall be borne by all Owners whose Lots adjoin such party fence, such expense to be allocated among the Owners in accordance with the frontage of their Lots on the party fence.

8.4 Other Walls and Fences. Walls and fences located on a Lot shall be maintained, repaired and replaced by the Owner of the Lot.

ARTICLE 9

GENERAL PROVISIONS

9.1 Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real property included within this Declaration, each Person binds himself, his heirs, personal representatives, successors, transferees, and assigns, to all of the provisions, restrictions, affirmative and negative covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments hereto. In addition, each such Person by so doing acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered hereby and thereby evidences its interest that all the restrictions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such Person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive, and enforceable by the various subsequent and future Lot Owners.

9.2 Enforcement. QHM or any Owner shall have the right to enforce the Project Documents in any manner provided for in the Project Documents, or by a proceeding at law or in equity, and, in such proceeding, the prevailing party shall be entitled to recover from the other party all reasonable attorney's fees and court costs incurred by the prevailing party in the action. Failure of QHM or of any Owner to enforce any violation of the Project Documents shall not be deemed a waiver of the right of QHM or any Owner to do so in the future.

9.3 Term. This Declaration shall be effective upon the date of its recordation and, as amended from time to time, shall continue in full force and effect for a term of twenty (20) years from the date this Declaration is recorded. After said date, this Declaration, along with any amendments hereto, shall be automatically extended for successive periods often ten (10) years each.

9.4 Amendment or Termination. This Declaration may be amended or terminated at any time by recordation of the written consent of the Owners representing not less than seventy-five percent (75%) of the Member votes in each class of QHM. The Declarant, so long as it is a Member of QHM, and, thereafter, the Board, may amend this Declaration without the consent of any other Owner to correct any error or inconsistency in the Declaration. If the necessary votes and consents are obtained, then the Board shall cause any amendment to or termination of this Declaration to be recorded in proper form with the County Recorder of Yavapai County, Arizona, duly signed by the President or Vice President of QHM and attested by the Secretary of QHM, with their signatures acknowledged. Thereupon any amendment shall be given full force and effect; upon termination, this Declaration and the covenants contained herein shall be of no further force and effect, and QHM shall be dissolved pursuant to the terms set forth in its Articles.

9.5 Inclusion of Additional Phases. Additional phases of Lots and Common Area in Inscription Canyon Ranch P.A.D., South, Unit Four development may be annexed to and included under and made subject to this Declaration without the consent of Members by recording a Supplemental Declaration. When a phase has been included (annexed) under this Declaration, the Owners of the Lots in such additional included phase shall have the same rights and duties under this Declaration as the Owners of Lots in Phase One, the Lots initially covered by this Declaration. Any tract added as a Common Area shall be added for the benefit of the Lot Owners in Phase One.

9.6 Interpretation. Except for judicial construction, QHM shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, QHM's construction or interpretation of the provisions hereof shall be final, conclusive, and binding as to all Persons and Property benefited or bound by this Declaration. In the event of any conflict between this Declaration and the Articles, Bylaws, or QHM Rules, this Declaration shall control. In the event of any conflict between the Articles and the Bylaws, the Articles shall prevail. In the event of any conflict between the Bylaws and QHM Rules, the Bylaws shall prevail.

9.7 Severability. A determination by a court of competent jurisdiction that any provision of this Declaration or the Project Documents is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

9.8 Rule Against Perpetuities. If any interest created by this Declaration shall be unlawful, void or voidable for violation of the Rule Against Perpetuities or other

related rule, then such provision shall continue until twenty-one (21) years after the death of the survivor of the survivor of the now living descendants of the Board of Directors on the date hereof.

9.9 Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

9.10 Notice of Violation. QHM shall have the right to record a written notice of a violation by any Owner, Lessee, or Resident of any restriction or other provision of the Project Documents. The notice shall be executed by an officer of QHM and shall contain substantially the following information:

- (a) the name of the Owner, Lessee, or Resident violating, or responsible for the violation of the Project Documents,
- (b) the legal description of the Lot against which the notice is being recorded,
- (c) a brief description of the nature of the violation,
- (d) a statement that the notice is being recorded pursuant to this Declaration, and
- (e) a statement of the specific steps which must be taken to cure the violation.

If, after the recordation of such notice, QHM should determine that the violation referenced in the Notice does not exist, or has been cured, then QHM shall record a notice of compliance which shall contain the legal description of the Lot against which the Notice of Violation was recorded, and the Recording data of said notice, and shall state that the violation referred to in the notice has been cured, or that it did not exist. Failure of QHM to record a notice of violation shall not be deemed a waiver of any violation, constitute evidence that no violation exists with respect to a particular Lot, or constitute a waiver of any right of QHM to enforce the Project Documents.

9.11 Laws, Ordinances and Regulations. The covenants, conditions and restrictions set forth in this Declaration are independent of the obligation of the Owners and other Persons to comply with all applicable laws, ordinances and regulations, and compliance with this Declaration shall not relieve any Owner or other Person from the obligation to also comply with all applicable laws, ordinances, and regulations. Any violation of an applicable law, ordinance or regulation pertaining to the Ownership, occupation or use of any property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

9.12 References to this Declaration in Deeds. Deeds to and instruments affecting any Lot may incorporate this Declaration by reference; but, regardless of whether any such reference is made in any deed or instrument, all of the provisions of this

Declaration shall be binding upon the grantee-Owner or other Person claiming through any instrument and his heirs, personal representatives, successors and assigns.

9.13 Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only, and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof.

9.14 Gender and Number. Wherever the context of this Declaration so requires, any word used in the masculine, feminine or neuter genders shall include each of the other genders, words used in the singular shall include the plural, and words used in the plural shall include the singular.

9.15 Property Held in Trust. Except as otherwise expressly provided in this Declaration, any and all portions of the Property, including any annexed Property, which are now or hereafter held in a subdivision or similar trust or trusts, a beneficiary of which trust is Williamson Valley Investors II, L.L.C., an Arizona limited liability company, or an affiliate, successor or assign thereof, shall be deemed for all purposes under this Declaration to be owned in fee by Williamson Valley Investors II, L.L.C., an Arizona limited liability company, or its affiliate, successor, or assign, if applicable. No conveyance, assignment or other transfer of any right, title, or interest in or to any of the Property by Williamson Valley Investors II, L.L.C., an Arizona limited liability company, or its affiliate, successor or assign, to any such trust, or the trustee thereof, or to any affiliate, successor or assign Williamson Valley Investors II, L.L.C., an Arizona limited liability company, shall be deemed for purposes of this Declaration to be a sale of such Property, or any right, title or interest therein.

YAVAPAI-COCONINO TITLE AGENCY, INC.
as Trustee under Trust No. 356.

By: 
Alan C. Abare, Trust Officer

Williamson Valley Investors II, L.L.C., an
Arizona limited liability company, as
"Declarant"

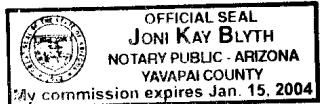
By: 
William A. Gary, Managing Partner

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 15th day of May, 2000, by Alan C. Abare, as Trust Office of Yavapai-Coconino Title Agency, Inc., an Arizona corporation, on behalf of the Corporation as Trustee under its Trust No. 358.


Notary Public

My Commission Expires: 1-15-2004

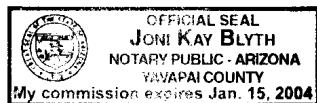


STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 15th day of May, 2000, by William A. Gary, Managing Partner of Williamson Valley Investors II, L.L.C., an Arizona limited liability company, on behalf of the Company.


Notary Public

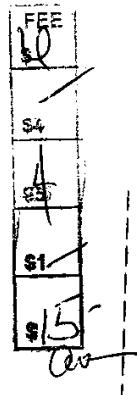
My Commission Expires: 1-15-2004



Recorded at the request of.

When Recorded, MAIL TO:

DACCOM
P.O. BOX 1301
Prescott, AZ 86302



3443036 BK 3912 PG 199
Yavapai County
Patsy Jenney-Colon, Recorder
03/25/2002 03:16P PAGE 1 OF 6
WILLIAMSON VALLEY INVESTORS II
RECORDING FEE 6.00
SURCHARGE 8.00
POSTAGE 1.00

Supplemental Restrictions

**SUPPLEMENTAL
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
INSCRIPTION CANYON RANCH P.A.D. SOUTH
Unit Four, Phase Four**

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and entered into as of March 25, 2002, by Williamson Valley Investors II, an Arizona limited liability company (the "Declarant"), Beneficiary under Yavapai Title Agency, Inc. Trust No. 356; Frederick Paul Engel and Bobbie Ann Engel, husband and wife, owners of Lot 291 as community property with right of survivorship; and Robert H. Polacek and Agnes Brunhilde Polacek, Trustees of the Robert Polacek Family Trust dated August 27, 1998, as lienholders to Lot 291.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Yavapai, State of Arizona, which is more particularly described as follows:

Lots 285-321, INSCRIPTION CANYON RANCH P.A.D., SOUTH, UNIT FOUR, PHASE FOUR, according to the plat of record in the office of the County Recorder of Yavapai, County, Arizona, recorded in Book 44 of Maps, Pages 73.

WHEREAS, Declarant at this time includes in this Declaration and imposes these Covenants, Conditions and Restrictions upon the Lots and other areas situated within Inscription Canyon Ranch P.A.D., South, Unit Four, Phase Four, as provided for in Section 9.5 of the Declaration of Covenants, Conditions and Restrictions recorded on May 8, 2000 in Book 3752, page 735 of the Official Records of Yavapai County, Arizona.

NOW, THEREFORE, Declarant hereby declares that all of the Property described herein, and that Additional Property which shall be annexed by the Declarant as set forth on future plats of Inscription Canyon Ranch P.A.D., South, Unit Four shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions and liens, which are for the purpose of protecting the value and desirability of and which shall run with the Property and shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the Property or any part thereof, their heirs, successors or assigns.

NOW, THEREFORE, Declarant at this time adopts by reference and incorporates the original DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS recorded with the office of the County Recorder of Yavapai County, Arizona, recorded in Book 3752, Page 735 with the following modifications.

ARTICLE 2

DEVELOPMENT PLAN

2.5 Development Plan. Notwithstanding any other provision of this Declaration to the contrary, the Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to the Development Plan with respect to any Property owned by the Declarant in any way which the Declarant desires, including, but not limited to, changing the nature and extent of the uses to which the Property may be devoted. Inscription Canyon Ranch P.A.D., South, Unit Four is currently planned to be developed in four phases and will comprise approximately 143 Single Family Lots. The Declarant will designate some of the Lots as Equestrian Lots. Phase One consists of thirty-nine (39) Single Family Lots with Lots 181 and 182 designated as Equestrian. Phase Two consists of thirty-eight (38) Single Family Lots with Lots 220, 221, 222, 225, 226, 252 and 253 designated as Equestrian. Phase Four consists of thirty-seven (37) Single Family Lots with Lots 288, 289, 290, 291, 294, 295, 307, 308 and 309 designated as Equestrian. Water service is provided by the I C R Water Users Association and sewer by the I C R Sanitation District.

ARTICLE 6

USE RESTRICTIONS

6.5 Equestrian Lots. Horses shall be permitted to be kept only on Lots designated as Equestrian Lots. Phase Four consists of thirty-seven (37) Single Family Lots with Lots 288, 289, 290, 291, 294, 295, 307, 308 and 309 designated as Equestrian. The Board shall establish the minimum standards for stable and corral construction; manure disposal; and odor, flies and dust abatement.

6-24 Detached Garages and Other Free-Standing Structure No detached structures, including but not limited to, garages, barns, stables, sheds, greenhouses, gazebos, and guesthouses shall be erected without prior approval by the Board. All such structures must meet the setback requirements of Yavapai County's zoning ordinance and be located behind and at the rear of the main dwelling house, and not closer to the front of the Lot than the side plane of the house on a corner Lot. In the event an owner acquires a portion of any adjoining Lot or Lots, the foregoing measurements shall be made from the side property lines of the acquired property rather than from the side lot lines indicated on the recorded plat for the Project. Detached garages and guest houses must be constructed of the same material and exterior color as the primary residence. The intent is that Lots not become cluttered with multiple structures incongruous with the surroundings and that the aggregate square footage of such freestanding structures shall not exceed three hundred (300) square feet per Lot. The 300 square foot maximum does not apply to guest houses, which must conform to the current Yavapai County ordinances.

ARTICLE 7

EASEMENTS

7.5 Utility Easement. There is hereby created an easement upon, across, over and under the Lots for reasonable ingress, egress, installation, replacing, repairing, or maintaining of all utilities, including but not limited to, gas, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to install and maintain facilities and equipment on the Property and to affix and maintain wires, circuits and conduits on, in and under roofs and exterior walls of the Property. In addition, some lots also contain common lot line yard utility easements. Please refer to the Plat map for all locations and dimensions. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines or other utilities or service lines may be installed or relocated on the Property except as initially developed and approved by the Declarant or thereafter approved by the Board and by ICR Sanitation District and/or ICR Water Users Association. This easement shall in no way affect any other recorded easements on the Property.

7.7 Equestrian Easement. All easements designated on the recorded plat for each phase of the Project as "Equestrian Easement" and/or "Bridle Path" shall be used exclusively for riding horses, mules, donkeys or such other animal that may be ridden, for riding non-motorized bicycles and for human walking or hiking. Vehicular use, including but not limited to, motorcycles, motors scooters, ATV's and automobiles, is prohibited. The utility easement as shown on Tract C, Tract D and Tract E as well as a ten (10) foot public non-motorized equestrian/pedestrian easement on the east property line of Lot 220 on the recorded plats for Phase Two of the Project shall also be used as an "Equestrian/Pedestrian/Non-motorized Easement" subject to the same conditions and uses as set forth in this section.

7.8 Drainage Easement. The Owner(s) of the particular Lot or parcel which includes such a drainage easement is responsible for maintaining the drainage easement's condition as it was when the subdivision was approved by Yavapai County. Drainage easements conform to the natural or man-made watercourses and shall not be removed from the location existing at the time of the approval of the subdivision (unless approved by Yavapai County). These watercourses will require periodic maintenance to convey on-site or off-site discharges. Periodic maintenance will consist of the removal of earth and/or vegetative material that has built up since the original approval of the final plat for the Project. If the drainage easements are not adequately maintained, Yavapai County will not be responsible or liable for any damage, however, it has the authority to enter onto the site and maintain the drainage easements. If the County has to do the maintenance, the Owner(s) will be billed. Should court action be necessary to collect these bills, the Owner(s) shall be responsible for attorneys' fees and court costs.

YAVAPAI TITLE AGENCY, INC.
as Trustee under Trust No. 356.

By: Binki Thalheimer
Binki I. Thalheimer, Senior Trust Officer

Williamson Valley Investors II, L.L.C., an
Arizona limited liability company, as
"Declarant"

By: Swayze McCrae
Swayze E McCrae, Managing Partner

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 20th day of February,
2002, by Binki I. Thalheimer, as Senior Trust Officer of Yavapai Title Agency, Inc., an
Arizona corporation, on behalf of the Corporation as Trustee under its Trust No. 356.



Yvonne L. Porter
Notary Public

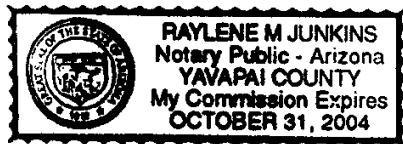
My Commission Expires: 7-10-05

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 20th day of February, 2002, by Swayze E. McCrae, Managing Partner of Williamson Valley
Investors II, L.L.C., an Arizona Limited Liability Company, on behalf of the Company.

Raylene M. Junkins
Notary Public

My Commission Expires:
Oct 31, 2004



Frederick Paul Engel

Bobbie Ann Engel

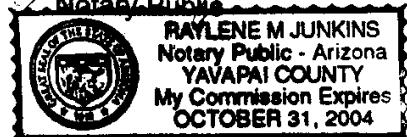
Husband and Wife, owners of Lot 291 as
community property with right of survivorship

STATE OF ARIZONA)
) ss.
County of Yavapai)

On this 18th day of February, 2002, before me, the undersigned Notary Public, did personally appear Frederick Paul Engel and Bobbie Ann Engel, husband and wife owners of Lot 291 as community property with right of survivorship.

Raylene M. Jenkins
Notary Public

My Commission Expires: Oct 31, 2004



Robert H. Polacek

Robert H. Polacek

Agnes Brunhilde Polacek

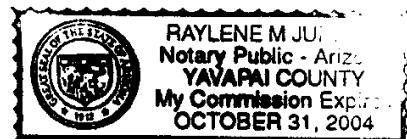
Agnes Brunhilde Polacek
Trustees of the Robert Polacek Family
Trust, dated August 27, 1998 as
lienholders to Lot 291

STATE OF ARIZONA)
) ss.
County of Yavapai)

On this 17th day of February, 2002, before me, the undersigned Notary Public, did personally appear Robert H. Polacek and Agnes Brunhilde Polacek, Trustees of the Robert Polacek Family Trust, dated August 27, 1998.

Raylene M. Jenkins
Notary Public

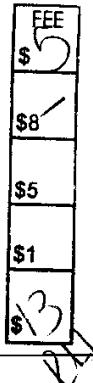
My Commission Expires:
Oct 31, 2004



at the request of YAVAPAI TITLE AGENCY, INC.
when recorded mail to:

YTA FOLDER

BLM



3467334 BK 3932 PG 803
Yavapai County
Patsy Jenney-Colon, Recorder
06/07/2002 04:41P PAGE 1 OF 5
YAVAPAI TITLE AGENCY
RECORDING FEE 5.00
SURCHARGE 8.00
POSTAGE 0.00

**CAPTION HEADING: Supplemental Declaration of Covenants and
Restrictions for Inscription Canyon Ranch P.A.D. South Unit Four, Phase
Three.**

DO NOT REMOVE

THIS IS PART OF THE OFFICIAL DOCUMENT

(THIS FORM IS FOR RECORDER'S USE ONLY)

**SUPPLEMENTAL
DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
INSCRIPTION CANYON RANCH P.A.D. SOUTH
Unit Four, Phase Three**

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and entered into as of June 7, 2002, by Williamson Valley Investors II, an Arizona limited liability company (the "Declarant"), Beneficiary under Yavapai Title Agency, Inc. Trust No. 356.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Yavapai, State of Arizona, which is more particularly described as follows:

Lots 258-284, INSCRIPTION CANYON RANCH P.A.D., SOUTH, UNIT FOUR, PHASE THREE, according to the plat of record in the office of the County Recorder of Yavapai, County, Arizona, recorded in Book 45 of Maps, Page 29.

WHEREAS, Declarant at this time includes in this Declaration and imposes these Covenants, Conditions and Restrictions upon the Lots and other areas situated within Inscription Canyon Ranch P.A.D., South, Unit Four, Phase Three, as provided for in Section 9.5 of the Declaration of Covenants, Conditions and Restrictions recorded on May 8, 2000 in Book 3752, page 735 of the Official Records of Yavapai County, Arizona.

NOW, THEREFORE, Declarant hereby declares that all of the Property described herein, and that Additional Property which shall be annexed by the Declarant as set forth on future plats of Inscription Canyon Ranch P.A.D., South, Unit Four shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions and liens, which are for the purpose of protecting the value and desirability of and which shall run with the Property and shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the Property or any part thereof, their heirs, successors or assigns.

NOW, THEREFORE, Declarant at this time adopts by reference and incorporates the original DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS recorded with the office of the County Recorder of Yavapai County, Arizona, recorded in Book 3752, Page 735 with the following modifications.

ARTICLE 2

DEVELOPMENT PLAN

2.5 **Development Plan.** Notwithstanding any other provision of this Declaration to the contrary, the Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to the Development Plan with respect to any Property owned by the Declarant in any way which the Declarant desires, including, but not limited to, changing the nature and extent of the uses to which the Property may be devoted. Inscription Canyon Ranch P.A.D., South, Unit Four is currently planned to be developed in four phases and will comprise approximately 143 Single Family Lots. The Declarant will designate some of the Lots as Equestrian Lots. Phase One consists of thirty-nine (39) Single Family Lots with Lots 181 and 182 designated as Equestrian. Phase Two consists of thirty-eight (38) Single Family Lots with Lots 220, 221, 222, 225, 226, 252 and 253 designated as Equestrian. Phase Four consists of thirty-seven (37) Single Family Lots with Lots 288, 289, 290, 291, 294, 295, 307, 308 and 309 designated as Equestrian. Phase Three consists of twenty-seven (27) single family lots with Lots 271, 272, 273, 274, 275, 276, and 277 designated as Equestrian. Water service is provided by the I C R Water Users Association and sewer by the I C R Sanitation District.

ARTICLE 6

USE RESTRICTIONS

6.5 **Equestrian Lots.** Horses shall be permitted to be kept only on Lots designated as Equestrian Lots. Phase Three consists of twenty-seven (27) Single Family Lots with Lots 271, 272, 273, 274, 275, 276 and 277 designated as Equestrian. The Board shall establish the minimum standards for stable and corral construction; manure disposal; and odor, flies and dust abatement.

6.24 **Detached Garages and Other Free-Standing Structure** No detached structures, including but not limited to, garages, barns, stables, sheds, greenhouses, gazebos, and guesthouses shall be erected without prior approval by the Board. All such structures must meet the setback requirements of Yavapai County's zoning ordinance and be located behind and at the rear of the main dwelling house, and not closer to the front of the Lot than the side plane of the house on a corner Lot. In the event an owner acquires a portion of any adjoining Lot or Lots, the foregoing measurements shall be made from the side property lines of the acquired property rather than from the side lot lines indicated on the recorded plat for the Project. Detached garages and guest houses must be constructed of the same material and exterior color as the primary residence. The intent is that Lots not become cluttered with multiple structures incongruous with the surroundings and that the aggregate square footage of such freestanding structures shall not exceed three hundred (300) square feet per Lot. The 300 square foot maximum does not apply to guest houses, which must conform to the current Yavapai County ordinances.

6.34 Storage Tanks. No above-ground fuel or water tanks will be allowed. Due to fire hazard potential, propane tanks must be buried.

ARTICLE 7

EASEMENTS

7.5 Utility Easement. There is hereby created an easement upon, across, over and under the Lots for reasonable ingress, egress, installation, replacing, repairing, or maintaining of all utilities, including but not limited to, gas, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to install and maintain facilities and equipment on the Property and to affix and maintain wires, circuits and conduits on, in and under roofs and exterior walls of the Property. In addition, some lots also contain common lot line yard utility easements. Please refer to the Plat map for all locations and dimensions. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines or other utilities or service lines may be installed or relocated on the Property except as initially developed and approved by the Declarant or thereafter approved by the Board and by ICR Sanitation District and/or ICR Water Users Association. This easement shall in no way affect any other recorded easements on the Property.

7.7 Equestrian Easement. All easements designated on the recorded plat for each phase of the Project as "Equestrian Easement" and/or "Bridle Path" shall be used exclusively for riding horses, mules, donkeys or such other animal that may be ridden, for riding non-motorized bicycles and for human walking or hiking. Vehicular use, including but not limited to, motorcycles, motors scooters, ATV's and automobiles, is prohibited. The utility easement as shown on Tract C, Tract D and Tract E as well as a ten (10) foot public non-motorized equestrian/pedestrian easement on the east property line of Lot 220 as well as on the southern property line of Lots 262, 263, 271, 272, 273, 274 and 275 on the recorded plats for Phase Two and Three of the Project shall also be used as an "Equestrian/Pedestrian/Non-motorized Easement" subject to the same conditions and uses as set forth in this section.

7.8 Drainage Easement. The Owner(s) of the particular Lot or parcel which includes such a drainage easement is responsible for maintaining the drainage easement's condition as it was when the subdivision was approved by Yavapai County. Drainage easements conform to the natural or man-made watercourses and shall not be removed from the location existing at the time of the approval of the subdivision (unless approved by Yavapai County). These watercourses will require periodic maintenance to convey on-site or off-site discharges. Periodic maintenance will consist of the removal of earth and/or vegetative material that has built up since the original approval of the final plat for the Project. If the drainage easements are not adequately maintained, Yavapai County will not be responsible or liable for any damage, however, it has the authority to enter onto the site and maintain the drainage easements. If the County has to do the maintenance, the Owner(s) will be billed. Should court action be necessary to collect these bills, the Owner(s) shall be responsible for attorneys' fees and court costs.

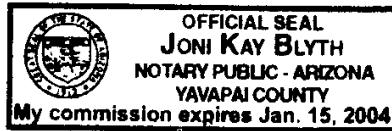
YAVAPAI TITLE AGENCY, INC.
as Trustee under Trust No. 356.

By: Alan Asare, Senior Trust Officer

Williamson Valley Investors II, L.L.C., an
Arizona limited liability company, as "Declarant"

By: Swayze E McCrae
Swayze E McCrae, Managing Partner

STATE OF ARIZONA)
) ss.
County of Yavapai)

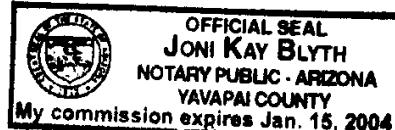


The foregoing instrument was acknowledged before me this 7 day of JUN 2 2002, by
Arthur Arcega, as Senior Trust Officer of Yavapai Title Agency, Inc., an Arizona
corporation, on behalf of the Corporation as Trustee under its Trust No. 356.

John B. Bly
Notary Public

My Commission Expires: 4/15/2004

STATE OF ARIZONA)
) ss.
County of Yavapai)



The foregoing instrument was acknowledged before me this 7 day of June, 2002, by Swayze E. McCraine, Managing Partner of Williamson Valley Investors II, L.L.C., an Arizona Limited Liability Company, on behalf of the Company.

John B. St. John
Notary Public

My Commission Expires: 1-15-2024

Recorded at the request of:

When Recorded, MAIL TO:

DALCOM, Development
P.O. BOX 1301
Prescott, AZ 86302

FEE
\$ 5
\$ 8
\$ 5
\$ 1
\$ 14

3607166 BK 4053 PG 797
Yavapai County, Arizona
Patsy Jenney-Colon, Recorder
07/21/2003 04:14P PAGE 1 OF 5
DALCOM DEVELOPMENT
RECORDING FEE 5.00
SURCHARGE 8.00
POSTAGE 1.00

C, C, R's

**SUPPLEMENTAL
DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
INSCRIPTION CANYON RANCH, UNIT FIVE, P.A.D.**

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and entered into as of June 12th, 2003, by Williamson Valley Investors II, an Arizona limited liability company (the "Declarant"), Beneficiary under Yavapai Title Agency, Inc. Trust No. 356.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Yavapai, State of Arizona, which is more particularly described as follows:

Lots 322-356 inclusive, INSCRIPTION CANYON RANCH, UNIT FIVE, P.A.D., according to the plat of record in the office of the County Recorder of Yavapai, County, Arizona, recorded in Book 48 of Maps, Page 23-25.

WHEREAS, Declarant at this time includes in this Declaration and imposes these Covenants, Conditions and Restrictions upon the Lots and other areas situated within Inscription Canyon Ranch, P.A.D. South Unit Four, as provided for in Section 9.5 of the Declaration of Covenants, Conditions and Restrictions recorded on May 8, 2000 in Book 3752, page 735 of the Official Records of Yavapai County, Arizona.

NOW, THEREFORE, Declarant hereby declares that all of the Property described herein, and that Additional Property which may be annexed by the Declarant as set forth on future plats of Inscription Canyon Ranch P.A.D., South, Unit Four shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions and liens, which are for the purpose of protecting the value and desirability of and which shall run with the Property and shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the Property or any part thereof, their heirs, successors or assigns.

NOW, THEREFORE, Declarant at this time adopts by reference and incorporates the original DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS recorded with the office of the County Recorder of Yavapai County, Arizona, recorded in Book 3752, Page 735 with the following modifications.

ARTICLE 2

DEVELOPMENT PLAN

2.5 **Development Plan.** Notwithstanding any other provision of this Declaration to the contrary, the Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to the Development Plan with respect to any Property owned by the Declarant in any way which the Declarant desires, including, but not limited to, changing the nature and extent of the uses to which the Property may be devoted. Inscription Canyon Ranch P.A.D., South, Unit Four is currently planned to be developed in four phases and will comprise approximately 143 Single Family Lots. In addition, the Declarant desires to include another unit known as Inscription Canyon Ranch, Unit Five, P.A.D. The Declarant will designate some of the Lots as Equestrian Lots. In Unit Four, Phase One consists of thirty-nine (39) Single Family Lots with Lots 181 and 182 designated as Equestrian. Phase Two consists of thirty-eight (38) Single Family Lots with Lots 220, 221, 222, 225, 226, 252 and 253 designated as Equestrian. Phase Four consists of thirty-seven (37) Single Family Lots with Lots 288, 289, 290, 291, 294, 295, 307, 308 and 309 designated as Equestrian. Phase Three consists of twenty-seven (27) single-family lots with Lots 271, 272, 273, 274, 275, 276, and 277 designated as Equestrian. Unit Five consists of thirty-five (35) Single Family Lots with Lots 327, 338, 339, 340 and 341 designated as Equestrian. Water service is provided by the ICR Water Users Association and sewer service by the ICR Sanitation District.

ARTICLE 6

USE RESTRICTIONS

6.5 **Equestrian Lots.** Horses shall be permitted to be kept only on Lots designated as Equestrian Lots. Unit Five consists of thirty-five (35) Single Family Lots with Lots 327, 338, 339, 340 and 341 designated as Equestrian. The Board shall establish the minimum standards for barn/stable and corral construction; manure disposal; and odor, flies and dust abatement.

6.24 **Detached Garages and Other Free-Standing Structure** No detached structures, including but not limited to, garages, barns, stables, sheds, greenhouses, gazebos, and guesthouses shall be erected without prior approval by the Board. All such structures must meet the setback requirements of Yavapai County's zoning ordinance and be located behind and at the rear of the main dwelling house, and not closer to the front of the Lot than the side plane of the house on a corner Lot. In the event an owner acquires a portion of any adjoining Lot or Lots, the foregoing measurements shall be made from the side property lines of the acquired property rather than from the side lot lines indicated on the recorded plat for the Project. Detached garages and guesthouses must be constructed of the same material and exterior color as the primary residence. The intent is that Lots not become cluttered with multiple structures incongruous with the surroundings and that the aggregate square footage of such freestanding structures shall not exceed three hundred (300) square feet per Lot. The 300 square foot maximum does not apply to guesthouses, detached garages, or barns/stables but they must conform to the current Yavapai County

6.34 Storage Tanks. No aboveground fuel or water tanks will be allowed. Due to fire hazard potential, propane tanks must be buried.

ARTICLE 7

EASEMENTS

7.5 Utility Easement. There is hereby created an easement upon, across, over and under the Lots for reasonable ingress, egress, installation, replacing, repairing, or maintaining of all utilities, including but not limited to, gas, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to install and maintain facilities and equipment on the Property and to affix and maintain wires, circuits and conduits on, in and under roofs and exterior walls of the Property. In addition, some lots also contain common lot line yard utility easements. Please refer to the Plat map for all locations and dimensions. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines or other utilities or service lines may be installed or relocated on the Property except as initially developed and approved by the Declarant or thereafter approved by the Board and by ICR Sanitation District and/or ICR Water Users Association. This easement shall in no way affect any other recorded easements on the Property.

7.7 Equestrian Easement. All easements designated on the recorded plat for each phase of the Project as "Equestrian Easement" and/or "Bridle Path" shall be used exclusively for riding horses, mules, donkeys or such other animal that may be ridden, for riding non-motorized bicycles and for human walking or hiking. Vehicular use, including but not limited to, motorcycles, motors scooters, ATV's and automobiles, is prohibited. The utility easement shown as Tract B, shall also be used as an "Equestrian/Pedestrian/Non-motorized Easement" subject to the same conditions and uses as set forth in this section.

7.8 Drainage Easement. The Owner(s) of the particular Lot or parcel which includes such a drainage easement is responsible for maintaining the drainage easement's condition as it was when the subdivision was approved by Yavapai County. Drainage easements conform to the natural or man-made watercourses and shall not be removed from the location existing at the time of the approval of the subdivision (unless approved by Yavapai County). These watercourses will require periodic maintenance to convey on-site or off-site discharges. Periodic maintenance will consist of the removal of earth and/or vegetative material that has built up since the original approval of the final plat for the Project. If the drainage easements are not adequately maintained, Yavapai County will not be responsible or liable for any damage, however, it has the authority to enter onto the site and maintain the drainage easements. If the County has to do the maintenance, the Owner(s) will be billed. Should court action be necessary to collect these bills, the Owner(s) shall be responsible for attorneys' fees and court costs.

YAVAPAI TITLE AGENCY, INC.
as Trustee under Trust No. 356.

By: Tisha Riddler, ~~Senior~~ Trust Officer

Williamson Valley Investors II, L.L.C., an
Arizona Limited Liability Company, as "Declarant"

By: Swayze E McCraine, Managing Partner

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 12th day of June 2003,
by Tisha Riddler, as ~~Senior~~ Trust Officer of Yavapai Title Agency, Inc., an
Arizona corporation, on behalf of the Corporation as Trustee under its Trust No. 356.



Beth Winkler
Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this day of , 2003,
by Swayze E. McCraine, Managing Partner of Williamson Valley Investors II, L.L.C., an Arizona
Limited Liability Company, on behalf of the Company.

Notary Public

My Commission Expire:

When recorded, mail to:

Holdsworth Law Firm, PC
3031 Dollar Mark Way, Suite B
Prescott, AZ 86305

DECLARATION OF DENSITY AND OPEN SPACE RESTRICTIONS

This Declaration of Density and Open Space Restrictions (the “**Declaration**”) is made this 13 day of December, 2016, by and between the following:

- Inscription Canyon Ranch, L.P., an Arizona limited partnership,
- Bryan C. Croll 2005 Gift Trust u/a/d June 17, 2005,
- Stacey C. Croll 2005 Gift Trust u/a/d June 7, 2005,
- Steven F. Croll 2005 Gift Trust u/a/d June 14, 2005,
- Bryan Croll 2012 Gift Trust u/t/a dated December 28, 2012,
- Reiber Gift Trust u/t/a dated December 15, 2012, and
- Steven Croll 2012 Gift Trust u/t/a dated December 11, 2012,

(the above parties are sometimes referred to herein, collectively, as the “**ICR Parties**”);

Talking Rock Land, L.L.C., an Arizona limited liability company (“**TRL**”); and

First American Title Insurance Company, a Nebraska corporation, as Trustee under Trust No. 4750-13 (“**Trustee**”).

RECITALS

A. The ICR Parties and TRL are parties to that certain 2010 Amended And Restated Option Agreement dated December 31, 2010 (as amended and supplemented, the “**Option Agreement**”), pursuant to which Trustee administers its Trust No. 4750-13 (the “**Trust**”), which presently holds title to the real property located in Yavapai County, Arizona, and legally described on Exhibit A-1 attached hereto (the “**Trust Property**”), which is commonly known as Phase 13. TRL presently holds title to the real property located in Yavapai County, Arizona, and legally described on Exhibit A-2 (the “**TRL Property**”), which is commonly known as Phase Thirteen. The Trust Property and the TRL Property, together, are sometimes referred to herein as the “**Property**”.

B. The ICR Parties and TRL are the beneficial owners of the Trust Property and have the right to control such Trust Property pursuant to the terms of the Trust and the Option Agreement. Trustee, as the trustee of the Trust, holds legal title to the Trust Property and joins in this Declaration for such reason.

C. Pursuant to the Option Agreement, Trustee has conveyed, or will convey, to the ICR Parties certain real property, which is legally described on **Exhibit B** attached hereto (the “Removed Property”).

D. The Property and the Removed Property are subject to that certain Inscription Canyon Ranch Development Agreement, recorded in Book 3707, Page 759 of the Official Records of Yavapai County, Arizona (as amended from time to time, the “**Development Agreement**”), which, among other things, restricts density and contains a minimum open space requirement for the project described therein.

E. Pursuant to the Option Agreement, the parties have agreed to encumber the Property (and other property), for the benefit of the ICR Parties as owners of the Removed Property, with certain density restrictions and open space requirements, all as more fully set forth herein.

DEFINITIONS

1. “**Density Unit**” shall mean a separate lot or parcel of land within the Trust Property (whether improved or unimproved and whether platted or unplatte) intended for independent ownership and use, including any parcel of land designated as a lot on a Recorded plat or any replat of any portion thereof.

2. “**Maximum Density**” shall have the meaning set forth in Section 10 below.

3. “**Minimum Open Space**” shall have the meaning set forth in Section 10 below.

4. “**Open Space**” means areas of real property permanently dedicated or reserved as open space land. The parties intend for Open Space to have the same meaning as “open space” used and described in the Development Agreement.

5. “**Owner**” means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Density Unit. Owner shall not include Persons having an interest in a Density Unit merely as security for the performance of an obligation or a lessee. Owner shall include a purchaser under a contract for the conveyance of real property subject to the provisions of A.R.S. § 33-741 *et seq.* In the case of a Density Unit subject to a deed of trust Recorded pursuant to A.R.S. § 33-801, *et seq.*, the trustor shall be deemed to be the Owner. In the case of the Density Units, the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the trust property shall be deemed to be the Owner.

6. “**Person**” means a natural person, corporation, business trust, estate, trust, partnership, LLC, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

7. “**Recording**” or “**Record**” means placing an instrument of public record in the office of the County Recorder of Yavapai County, Arizona, and “**Recorded**” means having been so placed of public record.

8. **“Restrictions”** means the density restrictions set forth in Section 10 below.

PROPERTY SUBJECT TO DECLARATION

9. **Property Subject to the Declaration.** The parties hereby declare that all of the Trust Property and the TRL Property shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each Person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself or itself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and hereby evidences its interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such Person fully understands and acknowledges that this Declaration shall be beneficial to the ICR Parties and any successors in title to the Removed Property, and enforceable only by the ICR Parties (and any successors in title to the Removed Property) and TRL. The Property and all Units therein and the other rights and obligations created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

DENSITY RESTRICTIONS

10. **Restrictions.** Unless otherwise approved in writing by the ICR Parties, which approval may be withheld in the ICR Parties’ sole and absolute discretion (provided, however, that the ICR Parties’ approval may not be withheld if a request for approval is consistent with a Reconfiguration Package meeting the criteria set forth in Section 5 of the Option Agreement, as amended), the Property is hereby subject to the following restrictions and requirements (the “**Restrictions**”):

no more than Thirty-Two Density Units may be created (by plat, replat, lot split or otherwise) within the Property (referred to herein as the “**Maximum Density**”).

ENFORCEMENT

11. **TRL’s Obligation to Enforce.** TRL shall be obligated to enforce the Restrictions for the benefit of the ICR Parties. If TRL fails or refuses to use its best efforts to enforce the Restrictions, the ICR Parties may, but are under no obligation to, take any action it deems reasonably necessary to enforce any such Restriction(s); whereupon TRL shall reimburse the ICR Parties, upon demand, for all reasonable costs incurred by the ICR Parties in connection with such enforcement, including attorneys’ fees, plus an amount equal to Five Thousand Dollars (\$5,000) for each Density Unit proposed to be created in excess of the Maximum Density.

12. Liquidated Damages for Violations. If any Restriction is violated (whether or not enforcement action was taken by TRL and/or the ICR Parties under Section 11), then:

a. TRL shall pay to the ICR Parties, immediately upon demand, a sum equal to Twenty-Five Thousand Dollars (\$25,000) for each then-existing Density Unit created in excess of the Maximum Density; and

b. the Owner(s) who caused the Maximum Density to be violated (by causing a lot split, recording a plat or replat, or otherwise) shall pay liquidated damages to the ICR Parties in the amount of Twenty-Five Thousand Dollars (\$25,000) for each then-existing Density Unit created in excess of the Maximum Density.

With respect to any payments made under Sections 12(a) above, such payment(s) shall be applied to the Annual Performance Covenant (as defined in the Option Agreement) for the year in which such event occurs for the year in which the payment is made, and if the payment exceeds the Annual Performance Covenant for that year, then such excess shall apply to the following year's Annual Performance Covenant).

11. TRL Indemnity. Except for gross negligence or willful misconduct of the ICR Parties, TRL shall indemnify, defend and hold harmless the ICR Parties, and each of their respective subsidiaries, affiliates, members, managers, employees, agents, successors and assigns, from and against any damage, claim, loss, liability or expense of any kind whatsoever (including, without limitation, reasonable attorneys' fees and fees of expert witnesses) arising from or in connection with any Restriction, the violation of any Restriction, or the enforcement of any Restriction. Notwithstanding anything to the contrary contained herein, the provisions of Section 12 shall in no way limit TRL's liabilities or obligations to the ICR Parties for or in connection with TRL's indemnification obligations under this Section 13.

12. No Liability. Without limiting TRL's obligations to the ICR Parties as set forth in this Declaration, in no event shall any of the ICR Parties or TRL be liable to any Owner, or to any other Person, for any damage or loss of any kind suffered or claimed on account of the Restrictions or this Declaration, or any act or omission by any of the ICR Parties or TRL with respect to the enforcement or non-enforcement of the Restrictions.

MISCELLANEOUS

13. Duration. The Restrictions and this Declaration shall continue and remain in full force and effect (subject, however, to the rights to amend, terminate, waive or vary as provided in this Declaration) for a period of twenty (20) years from the date this Declaration is recorded, and shall thereafter be deemed to have been renewed and automatically extended for successive periods of ten (10) years each, unless amended or terminated pursuant to Section 16 hereof.

14. Amendments and Termination. As long as any of the ICR Parties owns, either directly or indirectly, any portion of the Removed Property, this Declaration may not be amended or terminated without the written consent of the ICR Parties, which consent may be withheld in the sole and absolute discretion of the ICR Parties (but subject to the ICR Parties' approval

requirements set forth in Section 10, above). Thereafter, this Declaration may be amended or terminated at any time by a majority vote of the then existing owners of lots or parcels within the Removed Property (with 1 vote per lot or parcel owned). No amendments shall be effective until Recorded with the Yavapai County Recorder. Notwithstanding the foregoing, this Declaration shall automatically terminate on January 1, 2075, if not earlier terminate pursuant to this paragraph.

15. Notices.

(a) Any notice required or permitted to be sent under the provisions of this Declaration shall be sent by certified mail or commercial delivery service and the date of such notice will be deemed to have been the date on which such notice is delivered or attempted to be delivered as shown by the certified mail return receipt or a commercial delivery service record. All notices shall be addressed as follows:

To TRL: Talking Rock Land, LLC
Attn: Taber Anderson
8601 N. Scottsdale Road Suite 335
Scottsdale, AZ 85253

With a copy to:
Chester & Shein, P.C.
Attn: David E. Shein, Esq.
8777 North Gainey Center Drive, Suite 191
Scottsdale, Arizona 85258

Harvard Investments, Inc.
Attn: Craig Krumwiede
17700 N. Pacesetter Way
Scottsdale, Arizona 85255

With a copy to:
Titus Brueckner Levine & Johnson PC
Attn: Jon Titus, Esq.
8355 East Hartford Drive, Suite 200
Scottsdale, Arizona 85255

To the ICR Parties: Yolo Cattle Company
Attn: Bryan C. Croll, President
262 Donlea Road
Barrington Hills, IL 60010

With a copy to:
Holdsworth Law Firm, P.C.
Attn: Lori Marschke
3031 Dollar Mark Way, Suite B
Prescott, Arizona 86305

The parties hereto may designate other or additional notice addresses for the delivery of notices required under this Declaration by placing notice thereof of Record.

16. Severability. Invalidation of any one or more of the Restrictions or any other term or provision of this Declaration, in whole or in part, by court order, judgment, statute or otherwise shall in no manner affect the remaining Restrictions or that portion of a Restriction not invalidated, or any other term or provision of this Declaration, all of which shall continue in full force and effect.

17. Restrictions Run with Land. All of the Restrictions contained in this Declaration and all other terms and conditions of this Declaration shall run with the Trust Property and shall be enforceable at law and in equity.

18. Waiver. The waiver of, or failure to enforce, any breach or violation of any of the Restrictions or any other provisions herein contained shall not be deemed to be a waiver of the right to enforce, or be deemed an abandonment of a particular Restriction or provision, nor shall it be deemed to be a waiver of the right to enforce any subsequent breach or violation of such Restriction or provision, regardless of whether any Person affected thereby had knowledge of the breach or violation.

19. Conflicts. In the event of any conflict, ambiguity or inconsistency between the Restrictions and the Development Agreement or any applicable zoning or other ordinances, the stricter shall apply and prevail.

20. Headings and Caption. Headings and captions are inserted for convenience only and are not to be construed as a part of this Declaration or as defining, limiting, amplifying or otherwise modifying in any manner the provisions of this Declaration.

21. 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.

22. Attorneys' Fees. In the event of any action to enforce the provisions of this instrument, the prevailing party shall be entitled to receive its costs and attorneys' fees, in an amount determined by the court and not by a jury.

23. Counterparts. This Declaration may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Declaration as of the date first appearing above.

(signatures begin on next page)

ICR:

INSCRIPTION CANYON RANCH, L.P., an Arizona limited partnership

By: Yolo Cattle Company, an Arizona corporation, General Partner

By: Bryan C. Croll
Bryan C. Croll, President

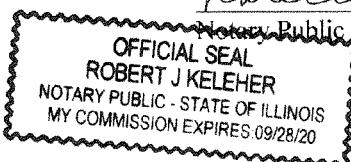
Bryan C. Croll
Bryan C. Croll, in his capacity as authorized representative of,
and on behalf of, each of the following:

the Bryan C. Croll 2005 Gift Trust *u/a/d* June 17, 2005,
the Stacey C. Croll 2005 Gift Trust *u/a/d* June 7, 2005,
the Steven F. Croll 2005 Gift Trust *u/a/d* June 14, 2005,
the Bryan Croll 2012 Gift Trust, *u/t/a* dated December 28,
2012,
the Steven Croll 2012 Gift Trust, *u/t/a* dated December 11,
2012, and
the Reiber Gift Trust, *u/t/a* dated December 15, 2012

STATE OF ILLINOIS)
County of LAKE)
ss.

The foregoing instrument was acknowledged before me this 14 day of December, 2016, by Bryan C. Croll, in the above-referenced capacities.

My Commission Expires:



TRL (as current owner of property described in Exhibit A-2):

TALKING ROCK LAND, L.L.C.,
an Arizona limited liability company,
By: Harvard Simon I, L.L.C., Its Manager,
By: TRR Holdings, LLLP, Its Manager,
By: TTLC-TRR Management, LLC, Its General Partner,
By: The True Life Companies, LLC, Its Manager

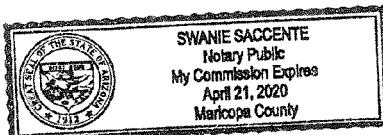
By: Taber A. Anderson
Name: Taber A. Anderson
Title: CEO/VP

STATE OF Arizona) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 13 day of December 2016, by Taber A. Anderson of The True Life Companies, LLC, Manager of TTLC-TRR Management, LLC, General Partner of TRR Holdings, LLLP, Manager of Harvard Simon I, LLC, Manager of Talking Rock Land, LLC.

Notary Public

My Commission Expires: 4/21/2020



Trustee:

First American Title Insurance Company, a Nebraska corporation (redomesticated from California effective July 1, 2014), as Trustee under Trust No. 4750-13, and not personally

By: Charlotte A. Knoll
Name: Charlotte A. Knoll
Title: Senior Trust Officer

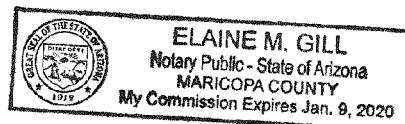
STATE OF ARIZONA)
)ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 15, day of December, 2016
By Charlotte A. Knoll, Senior Trust Officer, of First American Title Insurance Company, a Nebraska corporation (redomesticated from California effective July 1, 2014), as Trustee under Trust No. 4750-13, and not personally.

My Commission Expires:

Jan. 9, 2020

Elaine M. Gill
Notary Public



LENDER CONSENT AND SUBORDINATION

The undersigned, being the current beneficiary under that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement dated October 29, 2003, and recorded at Recorder's No. 3648092 in Book 4088, Page 966, of the Official Records of Yavapai County, Arizona, as amended (the "**Deed of Trust**"), hereby consents to the foregoing Declaration and agrees that (i) the Deed of Trust shall be and remain, at all times, subordinate to the Declaration until the Declaration is terminated; (ii) its right, title, and interest in and to the Deed of Trust and the property encumbered thereby shall be and remain, at all times, subordinate to the rights of the ICR Parties under such Declaration until the Declaration is terminated; and (iii) the rights of the ICR Parties under such Declaration shall be and remain, at all times, prior and superior to the undersigned's right, title, and interest in and to the Deed of Trust and the property encumbered thereby until the Declaration is terminated.

PRINCIPAL RESOURCES, LLC,
an Arizona limited liability company,
By: TTLC Management, Inc., Its Manager

By: _____
Name: Robert Anderson
Title: CEO/VP

STATE OF Arizona)
) ss.
County of Maricopa

The foregoing instrument was acknowledged before me this 13 day of December,
2016, by Robert Anderson, of TTLC Management, Inc.,
Manager of Principal Resources, LLC.

Notary Public

My Commission Expires: 4/21/2020

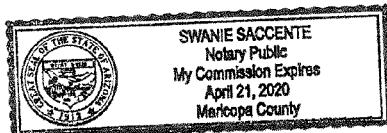


EXHIBIT A-1

“Trust Property”

PHASE THIRTEEN, TALKING ROCK RANCH

LOTS 13 THROUGH 29, INCLUSIVE, OF TALKING ROCK RANCH, PHASE THIRTEEN, AS RECORDED IN BOOK 60 OF MAPS AND PLATS, PAGE 38 IN THE OFFICE OF THE YAVAPAI COUNTY RECORDER.

EXHIBIT A-2

“TRL Property”

PHASE THIRTEEN, TALKING ROCK RANCH

LOTS 1 THROUGH 12, INCLUSIVE, AND LOTS 30, 31, AND 32 OF TALKING ROCK RANCH, PHASE THIRTEEN, AS RECORDED IN BOOK 60 OF MAPS AND PLATS, PAGE 38 IN THE OFFICE OF THE YAVAPAI COUNTY RECORDER.

EXHIBIT B
(attached)



**A PORTION OF TALKING ROCK RANCH
TRUST NUMBER 4750
BEING THE REMOVED PROPERTY FROM OPTION**

AN IRREGULAR SHAPED PORTION OF SECTION 21 AND SECTION 28, TOWNSHIP 16 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER MERIDIAN, YAVAPAI COUNTY, ARIZONA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 21, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SECTION 28, TOWNSHIP 16 NORTH, RANGE 3 WEST, SAID POINT BEING A 2" BRASS CAP IN CONCRETE MARKED CHEEK PE 2398 AS DETAILED AT BOOK 53 OF LAND SURVEYS, PAGE 24, Y.C.O.R., SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 21, NORTH 00°58'29" WEST, A DISTANCE OF 933.90 FEET;

THENCE LEAVING SAID WEST LINE, SOUTH 78°21'33" EAST, A DISTANCE OF 325.30 FEET;

THENCE NORTH 58°21'11" EAST, A DISTANCE OF 358.58 FEET;

THENCE NORTH 33°34'48" EAST, A DISTANCE OF 51.85 FEET;

THENCE NORTH 39°30'33" EAST, A DISTANCE OF 324.12 FEET;

THENCE SOUTH 50°12'33" EAST, A DISTANCE OF 142.28 FEET;

THENCE CONTINUE SOUTH 50°12'33" EAST ALONG SAID LINE, A DISTANCE OF 139.13 FEET;

THENCE SOUTH 85°57'52" EAST, A DISTANCE OF 255.91 FEET;

THENCE NORTH 39°36'11" EAST, A DISTANCE OF 405.17 FEET;

THENCE SOUTH 19°51'26" EAST, A DISTANCE OF 506.42 FEET;

THENCE CONTINUE SOUTH 19°51'26" EAST ALONG SAID LINE, A DISTANCE OF 50.06 FEET TO THE POINT OF CURVE OF A NON-TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES NORTH 23°37'38" WEST, A RADIAL DISTANCE OF 518.31 FEET;

THENCE NORTHEASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 15°24'53", A DISTANCE OF 139.44 FEET;

THENCE SOUTH 17°08'39" EAST, A DISTANCE OF 176.18 FEET TO A POINT ON THE NORTH LINE OF INSCRIPTION CANYON RANCH PAD AS RECORDED AT BOOK 38 OF MAPS AND PLATS, PAGE 27, Y.C.O.R.;

THENCE ALONG THE NORTH LINE OF SAID SUBDIVISION, SOUTH 88°51'06" WEST, A DISTANCE OF 338.55 FEET TO A 1/2" REBAR & CAP RLS 12218;

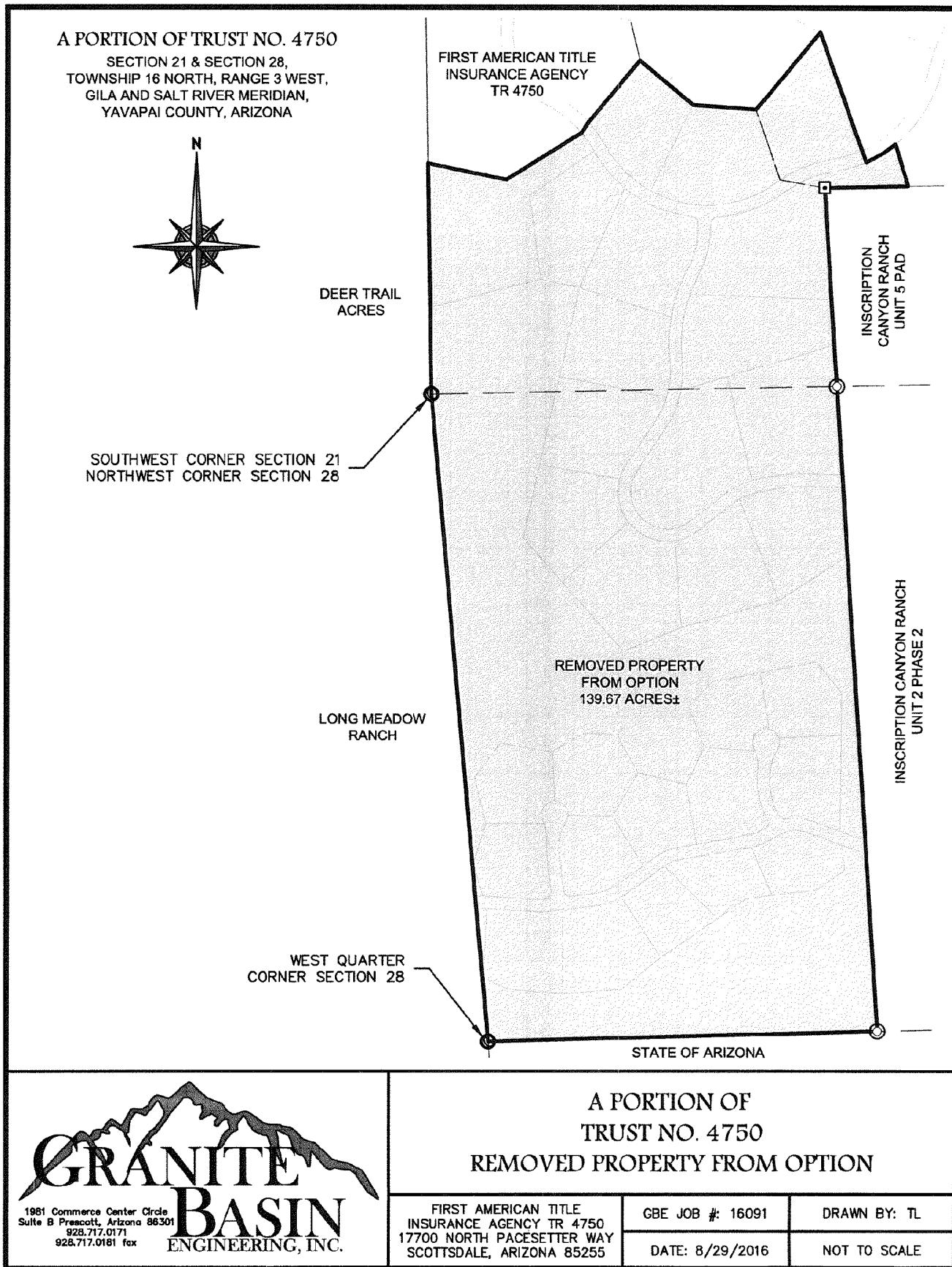
THENCE ALONG THE WEST LINE OF SAID SUBDIVISION, SOUTH 03°40'00" EAST, A DISTANCE OF 805.95 FEET TO A 1/2" REBAR AND CAP RLS 16558 MARKING THE NORTHWEST CORNER OF INSCRIPTION CANYON RANCH UNIT 2 PHASE 2 AS RECORDED AT BOOK 38, PAGE 27, Y.C.O.R., SAID POINT ALSO BEING ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 28;

THENCE ALONG THE WEST BOUNDARY OF SAID SUBDIVISION, SOUTH 03°40'04" EAST, A DISTANCE OF 2,614.04 FEET TO A 1/2" REBAR AND CAP RLS 16558 MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION AND A POINT ON THE EAST-WEST MID-SECTION LINE OF SAID SECTION 28;

THENCE ALONG SAID EAST-WEST MID-SECTION LINE, SOUTH 88°28'52" WEST, A DISTANCE OF 1,579.00 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 28, SAID POINT BEING A 2" BRASS CAP IN CONCRETE MARKED CHEEK PE 2398 AS DETAILED AT BOOK 53 OF LAND SURVEYS, PAGE 24, Y.C.O.R.;

THENCE ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 28, NORTH 05°06'46" WEST, A DISTANCE OF 2,627.93 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 6,084,205.57 SQUARE FEET OR 139.67 ACRES, MORE OR LESS.



When recorded, mail to:

Holdsworth Law Firm, PC
3031 Dollar Mark Way, Suite B
Prescott, AZ 86305

72101781-PH

DECLARATION OF DENSITY AND OPEN SPACE RESTRICTIONS

This Declaration of Density and Open Space Restrictions (the “**Declaration**”) is made this 13 day of December, 2016, by and between the following:

- Inscription Canyon Ranch, L.P., an Arizona limited partnership,
- Bryan C. Croll 2005 Gift Trust u/a/d June 17, 2005,
- Stacey C. Croll 2005 Gift Trust u/a/d June 7, 2005,
- Steven F. Croll 2005 Gift Trust u/a/d June 14, 2005,
- Bryan Croll 2012 Gift Trust u/t/a dated December 28, 2012,
- Reiber Gift Trust u/t/a dated December 15, 2012, and
- Steven Croll 2012 Gift Trust u/t/a dated December 11, 2012,

(the above parties are sometimes referred to herein, collectively, as the “**ICR Parties**”);

Talking Rock Land, L.L.C., an Arizona limited liability company (“**TRL**”); and

First American Title Insurance Company, a Nebraska corporation, as Trustee under Trust No. 4750-14A (“**Trustee**”).

RECITALS

A. The ICR Parties and TRL are parties to that certain 2010 Amended And Restated Option Agreement dated December 31, 2010 (as amended and supplemented, the “**Option Agreement**”), pursuant to which Trustee administers its Trust No. 4750-14A (the “**Trust**”), which presently holds title to the real property located in Yavapai County, Arizona, and legally described on Exhibit A attached hereto (the “**Trust Property**”), which is commonly known as Phase Fourteen-A.

B. The ICR Parties and TRL are the beneficial owners of the Trust Property and have the right to control such Trust Property pursuant to the terms of the Trust and the Option Agreement. Trustee, as the trustee of the Trust, holds legal title to the Trust Property and joins in this Declaration for such reason.

C. Pursuant to the Option Agreement, Trustee has conveyed, or will convey, to the ICR Parties certain real property, which is legally described on **Exhibit B** attached hereto (the “Removed Property”).

D. Both the Trust Property and the Removed Property are subject to that certain Inscription Canyon Ranch Development Agreement, recorded in Book 3707, Page 759 of the Official Records of Yavapai County, Arizona (as amended from time to time, the “**Development Agreement**”), which, among other things, restricts density and contains a minimum open space requirement for the project described therein.

E. Pursuant to the Option Agreement, the parties have agreed to encumber the Trust Property (and other property), for the benefit of the ICR Parties as owners of the Removed Property, with certain density restrictions and open space requirements, all as more fully set forth herein.

DEFINITIONS

1. “**Density Unit**” shall mean a separate lot or parcel of land within the Trust Property (whether improved or unimproved and whether platted or unplatted) intended for independent ownership and use, including any parcel of land designated as a lot on a Recorded plat or any replat of any portion thereof.
2. “**Maximum Density**” shall have the meaning set forth in Section 10 below.
3. “**Minimum Open Space**” shall have the meaning set forth in Section 10 below.
4. “**Open Space**” means areas of real property permanently dedicated or reserved as open space land. The parties intend for Open Space to have the same meaning as “open space” used and described in the Development Agreement.
5. “**Owner**” means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Density Unit. Owner shall not include Persons having an interest in a Density Unit merely as security for the performance of an obligation or a lessee. Owner shall include a purchaser under a contract for the conveyance of real property subject to the provisions of A.R.S. § 33-741 *et seq.* In the case of a Density Unit subject to a deed of trust Recorded pursuant to A.R.S. § 33-801, *et seq.*, the trustor shall be deemed to be the Owner. In the case of the Density Units, the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the trust property shall be deemed to be the Owner.
6. “**Person**” means a natural person, corporation, business trust, estate, trust, partnership, LLC, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.
7. “**Recording**” or “**Record**” means placing an instrument of public record in the office of the County Recorder of Yavapai County, Arizona, and “**Recorded**” means having been so placed of public record.

8. **“Restrictions”** means the density restrictions and open space requirements set forth in Section 10 below.

PROPERTY SUBJECT TO DECLARATION

9. **Property Subject to the Declaration.** The parties hereby declare that all of the Trust Property shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each Person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself or itself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and hereby evidences its interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such Person fully understands and acknowledges that this Declaration shall be beneficial to the ICR Parties and any successors in title to the Removed Property, and enforceable only by the ICR Parties (and any successors in title to the Removed Property) and TRL. The Trust Property and all Units therein and the other rights and obligations created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

DENSITY RESTRICTIONS AND OPEN SPACE REQUIREMENTS

10. **Restrictions.** Unless otherwise approved in writing by the ICR Parties, which approval may be withheld in the ICR Parties’ sole and absolute discretion (provided, however, that the ICR Parties’ approval may not be withheld if a request for approval is consistent with a Reconfiguration Package meeting the criteria set forth in Section 5 of the Option Agreement, as amended), the Trust Property is hereby subject to the following restrictions and requirements (the “**Restrictions**”):

- a. no more than Fifty-Four (54) Density Units may be created (by plat, replat, lot split or otherwise) within the Trust Property (referred to herein as the “**Maximum Density**”); and
- b. a minimum of 0.0 acres of the Trust Property must be dedicated or reserved as permanent Open Space (the “**Minimum Open Space**”).

ENFORCEMENT

11. **TRL’s Obligation to Enforce.** TRL shall be obligated to enforce the Restrictions for the benefit of the ICR Parties. If TRL fails or refuses to use its best efforts to enforce the Restrictions, the ICR Parties may, but are under no obligation to, take any action it deems

reasonably necessary to enforce any such Restriction(s); whereupon TRL shall reimburse the ICR Parties, upon demand, for all reasonable costs incurred by the ICR Parties in connection with such enforcement, including attorneys' fees, plus:

- a. an amount equal to Five Thousand Dollars (\$5,000) for each Density Unit proposed to be created in excess of the Maximum Density, and
- b. an amount equal to Ten Thousand Dollars per acre (\$10,000/acre) for any proposed reduction in the Minimum Open Space.

12. Liquidated Damages for Violations. If any Restriction is violated (whether or not enforcement action was taken by TRL and/or the ICR Parties under Section 11), then:

- a. TRL shall pay to the ICR Parties, immediately upon demand, a sum equal to Twenty-Five Thousand Dollars (\$25,000) for each then-existing Density Unit created in excess of the Maximum Density;
- b. TRL shall pay to the ICR Parties, immediately upon demand, a sum equal to Ten Thousand Dollars per acre (\$10,000/acre) for any then-existing reduction in the required Minimum Open Space; and
- c. the Owner(s) who caused the Maximum Density to be violated (by causing a lot split, recording a plat or replat, or otherwise) shall pay liquidated damages to the ICR Parties in the amount of Twenty-Five Thousand Dollars (\$25,000) for each then-existing Density Unit created in excess of the Maximum Density.

With respect to any payments made under Sections 12(a) above, such payment(s) shall be applied to the Annual Performance Covenant (as defined in the Option Agreement) for the year in which such event occurs for the year in which the payment is made, and if the payment exceeds the Annual Performance Covenant for that year, then such excess shall apply to the following year's Annual Performance Covenant).

13. TRL Indemnity. Except for gross negligence or willful misconduct of the ICR Parties, TRL shall indemnify, defend and hold harmless the ICR Parties, and each of their respective subsidiaries, affiliates, members, managers, employees, agents, successors and assigns, from and against any damage, claim, loss, liability or expense of any kind whatsoever (including, without limitation, reasonable attorneys' fees and fees of expert witnesses) arising from or in connection with any Restriction, the violation of any Restriction, or the enforcement of any Restriction. Notwithstanding anything to the contrary contained herein, the provisions of Section 12 shall in no way limit TRL's liabilities or obligations to the ICR Parties for or in connection with TRL's indemnification obligations under this Section 13.

14. No Liability. Without limiting TRL's obligations to the ICR Parties as set forth in this Declaration, in no event shall any of the ICR Parties or TRL be liable to any Owner, or to any other Person, for any damage or loss of any kind suffered or claimed on account of the

Restrictions or this Declaration, or any act or omission by any of the ICR Parties or TRL with respect to the enforcement or non-enforcement of the Restrictions.

MISCELLANEOUS

15. Duration. The Restrictions and this Declaration shall continue and remain in full force and effect (subject, however, to the rights to amend, terminate, waive or vary as provided in this Declaration) for a period of twenty (20) years from the date this Declaration is recorded, and shall thereafter be deemed to have been renewed and automatically extended for successive periods of ten (10) years each, unless amended or terminated pursuant to Section 16 hereof.

16. Amendments and Termination. As long as any of the ICR Parties owns, either directly or indirectly, any portion of the Removed Property, this Declaration may not be amended or terminated without the written consent of the ICR Parties, which consent may be withheld in the sole and absolute discretion of the ICR Parties (but subject to the ICR Parties' approval requirements set forth in Section 10, above). Thereafter, this Declaration may be amended or terminated at any time by a majority vote of the then existing owners of lots or parcels within the Removed Property (with 1 vote per lot or parcel owned). No amendments shall be effective until Recorded with the Yavapai County Recorder. Notwithstanding the foregoing, this Declaration shall automatically terminate on January 1, 2075, if not earlier terminate pursuant to this paragraph.

17. Notices.

(a) Any notice required or permitted to be sent under the provisions of this Declaration shall be sent by certified mail or commercial delivery service and the date of such notice will be deemed to have been the date on which such notice is delivered or attempted to be delivered as shown by the certified mail return receipt or a commercial delivery service record. All notices shall be addressed as follows:

To TRL: Talking Rock Land, LLC
Attn: Taber Anderson
8601 N. Scottsdale Road Suite 335
Scottsdale, AZ 85253

With a copy to:
Chester & Shein, P.C.
Attn: David E. Shein, Esq.
8777 North Gainey Center Drive, Suite 191
Scottsdale, Arizona 85258

Harvard Investments, Inc.
Attn: Craig Krumwiede
17700 N. Pacesetter Way
Scottsdale, Arizona 85255

With a copy to:
Titus Brueckner Levine & Johnson PC
Attn: Jon Titus, Esq.
8355 East Hartford Drive, Suite 200
Scottsdale, Arizona 85255

To the ICR Parties: Yolo Cattle Company
Attn: Bryan C. Croll, President
262 Donlea Road
Barrington Hills, IL 60010

With a copy to:
Holdsworth Law Firm, P.C.
Attn: Lori Marschke
3031 Dollar Mark Way, Suite B
Prescott, Arizona 86305

The parties hereto may designate other or additional notice addresses for the delivery of notices required under this Declaration by placing notice thereof of Record.

18. Severability. Invalidation of any one or more of the Restrictions or any other term or provision of this Declaration, in whole or in part, by court order, judgment, statute or otherwise shall in no manner affect the remaining Restrictions or that portion of a Restriction not invalidated, or any other term or provision of this Declaration, all of which shall continue in full force and effect.

19. Restrictions Run with Land. All of the Restrictions contained in this Declaration and all other terms and conditions of this Declaration shall run with the Trust Property and shall be enforceable at law and in equity.

20. Waiver. The waiver of, or failure to enforce, any breach or violation of any of the Restrictions or any other provisions herein contained shall not be deemed to be a waiver of the right to enforce, or be deemed an abandonment of a particular Restriction or provision, nor shall it be deemed to be a waiver of the right to enforce any subsequent breach or violation of such Restriction or provision, regardless of whether any Person affected thereby had knowledge of the breach or violation.

21. Conflicts. In the event of any conflict, ambiguity or inconsistency between the Restrictions and the Development Agreement or any applicable zoning or other ordinances, the stricter shall apply and prevail.

22. Headings and Caption. Headings and captions are inserted for convenience only and are not to be construed as a part of this Declaration or as defining, limiting, amplifying or otherwise modifying in any manner the provisions of this Declaration.

23. 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.

24. Attorneys' Fees. In the event of any action to enforce the provisions of this instrument, the prevailing party shall be entitled to receive its costs and attorneys' fees, in an amount determined by the court and not by a jury.

25. Counterparts. This Declaration may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Declaration as of the date first appearing above.

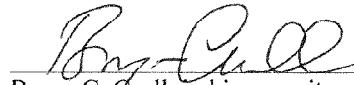
(signatures begin on next page)

ICR:

INSCRIPTION CANYON RANCH, L.P., an Arizona limited partnership

By: Yolo Cattle Company, an Arizona corporation, General Partner

By: 
Bryan C. Croll, President

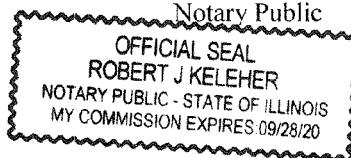

Bryan C. Croll, in his capacity as authorized representative of, and on behalf of, each of the following:

the Bryan C. Croll 2005 Gift Trust *u/a/d* June 17, 2005,
the Stacey C. Croll 2005 Gift Trust *u/a/d* June 7, 2005,
the Steven F. Croll 2005 Gift Trust *u/a/d* June 14, 2005,
the Bryan Croll 2012 Gift Trust, *u/t/a* dated December 28, 2012,
the Steven Croll 2012 Gift Trust, *u/t/a* dated December 11, 2012, and
the Reiber Gift Trust, *u/t/a* dated December 15, 2012

STATE OF ILLINOIS)
County of LAKE) ss.

The foregoing instrument was acknowledged before me this 14th day of December, 2016, by Bryan C. Croll, in the above-referenced capacities.

My Commission Expires:



TRL:

TALKING ROCK LAND, L.L.C.,
an Arizona limited liability company,
By: Harvard Simon I, L.L.C., Its Manager,
By: TRR Holdings, LLLP, Its Manager,
By: TTLC-TRR Management, LLC, Its General Partner,
By: The True Life Companies, LLC, Its Manager

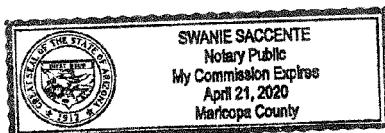
By: Abber Anderson
Name: Abber Anderson
Title: GM/VP

STATE OF Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 13 day of
December 2016, by Abber Anderson of The True Life
Companies, LLC, Manager of TTLC-TRR Management, LLC, General Partner of TRR
Holdings, LLLP, Manager of Harvard Simon I, LLC, Manager of Talking Rock Land, LLC.

Notary Public

My Commission Expires: 4/21/2020



Trustee:

First American Title Insurance Company, a Nebraska corporation (redomesticated from California effective July 1, 2014), as Trustee under Trust No. 4750-14A, and not personally

By: Charlotte A. Knoll
Name: Charlotte A. Knoll
Title: Senior Trust Officer

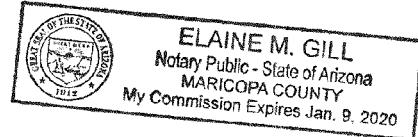
STATE OF ARIZONA)
)ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 15, day of December, 2016
By Charlotte A. Knoll, Senior Trust Officer, of First American Title Insurance Company, a Nebraska corporation (redomesticated from California effective July 1, 2014), as Trustee under Trust No. 4750-14A, and not personally.

My Commission Expires:

Jan. 9, 2020

Elaine M. Gill
Notary Public



LENDER CONSENT AND SUBORDINATION

The undersigned, being the current beneficiary under that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement dated October 29, 2003, and recorded at Recorder's No. 3648092 in Book 4088, Page 966, of the Official Records of Yavapai County, Arizona, as amended (the "Deed of Trust"), hereby consents to the foregoing Declaration and agrees that (i) the Deed of Trust shall be and remain, at all times, subordinate to the Declaration until the Declaration is terminated; (ii) its right, title, and interest in and to the Deed of Trust and the property encumbered thereby shall be and remain, at all times, subordinate to the rights of the ICR Parties under such Declaration until the Declaration is terminated; and (iii) the rights of the ICR Parties under such Declaration shall be and remain, at all times, prior and superior to the undersigned's right, title, and interest in and to the Deed of Trust and the property encumbered thereby until the Declaration is terminated.

PRINCIPAL RESOURCES, LLC,
an Arizona limited liability company,
By: TTLC Management, Inc., Its Manager

By: Leber Anderson
Name: Leber Anderson
Title: CEO/VP

STATE OF Arizona)
County of Maricopa) ss.

The foregoing instrument was acknowledged before me this 13 day of December,
2016, by Leber Anderson, of TTLC Management, Inc.,
Manager of Principal Resources, LLC.

Notary Public

My Commission Expires: 4/21/2020

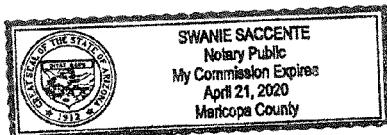


EXHIBIT A
(attached)

**LEGAL DESCRIPTION
TO
DECLARATION**

PHASE 14A, TALKING ROCK RANCH

ALL THAT PORTION OF SECTION 16, TOWNSHIP 16 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER MERIDIAN BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 16 BEING A BRASS DISC IN CONCRETE MARKED W.J. CHEEK, P.E. 2398 AS DESCRIBED IN BOOK 53 OF LAND SURVEYS, PAGE 24, YAVAPAI COUNTY OFFICIAL RECORDS, THENCE, N.87°00'09"W., ALONG THE NORTH LINE OF SECTION 16 AND THE NORTH LINE OF TALKING ROCK RANCH PHASE 12 AS RECORDED IN BOOK 60 OF MAPS AND PLATS, PAGE 44, YAVAPAI COUNTY OFFICIAL RECORDS A DISTANCE OF 332.55 FEET; THENCE LEAVING SAID REFERENCED NORTH LINE AND ALONG THE WEST LINE OF SAID TALKING ROCK RANCH PHASE 12, S.15°54'08"E., A DISTANCE OF 280.90 FEET TO TRUE POINT OF BEGINNING;

THENCE CONTINUE ALONG SAID WEST LINE OF TALKING ROCK RANCH PHASE 12, S.15°54'08"E., A DISTANCE OF 186.89 FEET;

THENCE S.24°01'49"E., A DISTANCE OF 68.00 FEET;

THENCE S.14°59'55"E., A DISTANCE OF 176.85 FEET TO A POINT ON THE BOUNDARY OF THE TALKING ROCK RANCH GOLF COURSE CENTRAL PARCEL;

THENCE S.52°54'33"W., A DISTANCE OF 273.28 FEET;

THENCE N.43°51'43"W., A DISTANCE OF 7.75 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET AND A CENTRAL ANGLE OF 116°54'46";

THENCE WESTERLY ALONG THE ARC A DISTANCE OF 357.09 FEET;

THENCE S.19°13'31"W., A DISTANCE OF 496.66 FEET;

THENCE S.23°26'36"W., A DISTANCE OF 781.97 FEET;

THENCE S.29°08'52"W., A DISTANCE OF 122.56 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES S.82°44'24"W., A RADIAL DISTANCE OF 175.00 FEET;

THENCE WESTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 156°40'15", A DISTANCE OF 478.52 FEET;

THENCE S.16°04'10"W., A DISTANCE OF 514.32 FEET;

THENCE S.10°59'43"W., A DISTANCE OF 245.61 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET AND A CENTRAL ANGLE OF 108°40'13";

THENCE SOUTHEASTERLY ALONG THE ARC A DISTANCE OF 331.91 FEET;

THENCE S.54°08'44"W., A DISTANCE OF 170.85 FEET;

THENCE S.53°22'46"W., A DISTANCE OF 152.10 FEET;

THENCE S.87°15'08"W., A DISTANCE OF 247.42 FEET;

THENCE N.77°17'59"W., A DISTANCE OF 147.13 FEET;

THENCE S.62°30'02"W., A DISTANCE OF 95.63 FEET;

THENCE N.84°40'08"W., A DISTANCE OF 155.69 FEET;

THENCE N.09°58'05"E., A DISTANCE OF 49.02 FEET;

THENCE N.39°14'40"E., A DISTANCE OF 121.01 FEET;

THENCE N.15°17'15"E., A DISTANCE OF 582.58 FEET;

THENCE N.13°35'03"E., A DISTANCE OF 446.16 FEET;

THENCE N.44°41'07"E., A DISTANCE OF 227.45 FEET;

THENCE N.22°30'45"E., A DISTANCE OF 139.24 FEET;

THENCE N.22°47'26"W., A DISTANCE OF 108.79 FEET;

THENCE N.17°18'43"E., A DISTANCE OF 383.04 FEET;

THENCE N.10°47'20"E., A DISTANCE OF 235.70 FEET;

THENCE S.78°36'22"W., A DISTANCE OF 232.55 FEET;

THENCE S.82°41'03"W., A DISTANCE OF 202.03 FEET;

THENCE N.80°14'33"W., A DISTANCE OF 173.48 FEET;

THENCE N.04°28'16"E., A DISTANCE OF 303.18 FEET;

THENCE S.85°33'49"E., A DISTANCE OF 565.66 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 250.00 FEET AND A CENTRAL ANGLE OF 30°53'15";

THENCE EASTERLY ALONG THE ARC A DISTANCE OF 134.77 FEET;

THENCE S.26°27'04"E., A DISTANCE OF 186.84 FEET;

THENCE S.28°20'01"E., A DISTANCE OF 34.00 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES N.28°20'01"W., A RADIAL DISTANCE OF 450.00 FEET;

THENCE NORTHEASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 34°08'53", A DISTANCE OF 268.20 FEET;

THENCE N.27°31'07"E., A DISTANCE OF 101.50 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 435.00 FEET AND A CENTRAL ANGLE OF 45°10'46";

THENCE NORTHEASTERLY ALONG THE ARC A DISTANCE OF 343.01 FEET;

THENCE N.72°41'53"E., A DISTANCE OF 348.59 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 800.00 FEET AND A CENTRAL ANGLE OF 10°51'05";

THENCE EASTERLY ALONG THE ARC A DISTANCE OF 151.51 FEET;

THENCE N.06°27'02"W., A DISTANCE OF 34.00 FEET;

THENCE N.14°55'58"W., A DISTANCE OF 183.42 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES S.14°55'58"E., A RADIAL DISTANCE OF 1,100.00 FEET;

THENCE EASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 09°22'47", A DISTANCE OF 180.08 FEET TO A POINT OF COMPOUND CURVE TO THE RIGHT HAVING A RADIUS OF 1,182.70 FEET AND A CENTRAL ANGLE OF 07°59'20";

THENCE EASTERLY ALONG THE ARC, A DISTANCE OF 164.91 FEET TO THE POINT OF BEGINNING.

CONTAINING 2,304,668 SQUARE FEET OR 52.91 ACRES, MORE OR LESS.

EXHIBIT B
(attached)



**A PORTION OF TALKING ROCK RANCH
TRUST NUMBER 4750
BEING THE REMOVED PROPERTY FROM OPTION**

AN IRREGULAR SHAPED PORTION OF SECTION 21 AND SECTION 28, TOWNSHIP 16 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER MERIDIAN, YAVAPAI COUNTY, ARIZONA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 21, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SECTION 28, TOWNSHIP 16 NORTH, RANGE 3 WEST, SAID POINT BEING A 2" BRASS CAP IN CONCRETE MARKED CHEEK PE 2398 AS DETAILED AT BOOK 53 OF LAND SURVEYS, PAGE 24, Y.C.O.R., SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 21, NORTH $00^{\circ}58'29''$ WEST, A DISTANCE OF 933.90 FEET;

THENCE LEAVING SAID WEST LINE, SOUTH $78^{\circ}21'33''$ EAST, A DISTANCE OF 325.30 FEET;

THENCE NORTH $58^{\circ}21'11''$ EAST, A DISTANCE OF 358.58 FEET;

THENCE NORTH $33^{\circ}34'48''$ EAST, A DISTANCE OF 51.85 FEET;

THENCE NORTH $39^{\circ}30'33''$ EAST, A DISTANCE OF 324.12 FEET;

THENCE SOUTH $50^{\circ}12'33''$ EAST, A DISTANCE OF 142.28 FEET;

THENCE CONTINUE SOUTH $50^{\circ}12'33''$ EAST ALONG SAID LINE, A DISTANCE OF 139.13 FEET;

THENCE SOUTH $85^{\circ}57'52''$ EAST, A DISTANCE OF 255.91 FEET;

THENCE NORTH $39^{\circ}36'11''$ EAST, A DISTANCE OF 405.17 FEET;

THENCE SOUTH $19^{\circ}51'26''$ EAST, A DISTANCE OF 506.42 FEET;

THENCE CONTINUE SOUTH 19°51'26" EAST ALONG SAID LINE, A DISTANCE OF 50.06 FEET TO THE POINT OF CURVE OF A NON-TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES NORTH 23°37'38" WEST, A RADIAL DISTANCE OF 518.31 FEET;

THENCE NORTHEASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 15°24'53", A DISTANCE OF 139.44 FEET;

THENCE SOUTH 17°08'39" EAST, A DISTANCE OF 176.18 FEET TO A POINT ON THE NORTH LINE OF INSCRIPTION CANYON RANCH PAD AS RECORDED AT BOOK 38 OF MAPS AND PLATS, PAGE 27, Y.C.O.R.;

THENCE ALONG THE NORTH LINE OF SAID SUBDIVISION, SOUTH 88°51'06" WEST, A DISTANCE OF 338.55 FEET TO A 1/2" REBAR & CAP RLS 12218;

THENCE ALONG THE WEST LINE OF SAID SUBDIVISION, SOUTH 03°40'00" EAST, A DISTANCE OF 805.95 FEET TO A 1/2" REBAR AND CAP RLS 16558 MARKING THE NORTHWEST CORNER OF INSCRIPTION CANYON RANCH UNIT 2 PHASE 2 AS RECORDED AT BOOK 38, PAGE 27, Y.C.O.R., SAID POINT ALSO BEING ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 28;

THENCE ALONG THE WEST BOUNDARY OF SAID SUBDIVISION, SOUTH 03°40'04" EAST, A DISTANCE OF 2,614.04 FEET TO A 1/2" REBAR AND CAP RLS 16558 MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION AND A POINT ON THE EAST-WEST MID-SECTION LINE OF SAID SECTION 28;

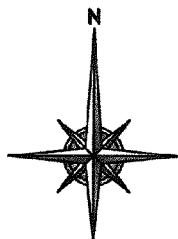
THENCE ALONG SAID EAST-WEST MID-SECTION LINE, SOUTH 88°28'52" WEST, A DISTANCE OF 1,579.00 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 28, SAID POINT BEING A 2" BRASS CAP IN CONCRETE MARKED CHEEK PE 2398 AS DETAILED AT BOOK 53 OF LAND SURVEYS, PAGE 24, Y.C.O.R.;

THENCE ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 28, NORTH 05°06'46" WEST, A DISTANCE OF 2,627.93 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 6,084,205.57 SQUARE FEET OR 139.67 ACRES, MORE OR LESS.

A PORTION OF TRUST NO. 4750

SECTION 21 & SECTION 28,
TOWNSHIP 16 NORTH, RANGE 3 WEST,
GILA AND SALT RIVER MERIDIAN,
YAVAPAI COUNTY, ARIZONA



DEER TRAIL
ACRES

FIRST AMERICAN TITLE
INSURANCE AGENCY
TR 4750

INSCRIPTION
CANYON RANCH
UNIT 5 PAD

SOUTHWEST CORNER SECTION 21
NORTHWEST CORNER SECTION 28

LONG MEADOW
RANCH

REMOVED PROPERTY
FROM OPTION
139.67 ACRES[±]

INSCRIPTION CANYON RANCH
UNIT 2 PHASE 2

WEST QUARTER
CORNER SECTION 28

STATE OF ARIZONA



1881 Commerce Center Circle
Suite B Prescott, Arizona 86301
928.717.0171
928.717.0181 fax

A PORTION OF
TRUST NO. 4750
REMOVED PROPERTY FROM OPTION

FIRST AMERICAN TITLE
INSURANCE AGENCY TR 4750
17700 NORTH PACESITTER WAY
SCOTTSDALE, ARIZONA 85255

GBE JOB #: 16091

DRAWN BY: TL

DATE: 8/29/2016

NOT TO SCALE

When recorded, mail to:
Holdsworth Law Firm, PC
3031 Dollar Mark Way, Suite B
Prescott, AZ 86305

Pioneer Title Agency, Inc.

DECLARATION OF DENSITY AND OPEN SPACE RESTRICTIONS

This Declaration of Density and Open Space Restrictions (the “Declaration”) is made this 6TH day of February, 2018, by and between the following:

- Inscription Canyon Ranch, L.P., an Arizona limited partnership,
- Bryan C. Croll 2005 Gift Trust u/a/d June 17, 2005,
- Stacey C. Croll 2005 Gift Trust u/a/d June 7, 2005,
- Steven F. Croll 2005 Gift Trust u/a/d June 14, 2005,
- Bryan Croll 2012 Gift Trust u/t/a dated December 28, 2012,
- Reiber Gift Trust u/t/a dated December 15, 2012, and
- Steven Croll 2012 Gift Trust u/t/a dated December 11, 2012

(the above parties are sometimes referred to herein, collectively, as the “**ICR Parties**”);

Talking Rock Land, L.L.C., an Arizona limited liability company (“**TRL**”); and

First American Title Insurance Company, a Nebraska corporation (redomesticated from California effective July 1, 2014), as Trustee under Trust No. 4750 (“**Trustee**”).

RECITALS

A. The ICR Parties and TRL are parties to that certain 2010 Amended And Restated Option Agreement dated December 31, 2010 (as amended and supplemented, the “**Option Agreement**”), pursuant to which Trustee administers its Trust No. 4750 (the “**Trust**”), which presently holds title to the real property located in Yavapai County, Arizona, and legally described on **Exhibit A** attached hereto (the “**Trust Property**”), which is commonly known as Phase Seven.

B. The ICR Parties and TRL are the beneficial owners of the Trust Property and have the right to control such Trust Property pursuant to the terms of the Trust and the Option Agreement. Trustee, as the trustee of the Trust, holds legal title to the Trust Property and joins in this Declaration for such reason.

C. Pursuant to the Option Agreement, Trustee has conveyed, or will convey, to the ICR Parties certain real property, which is legally described on **Exhibit B** attached hereto (the “Removed Property”).

D. Both the Trust Property and the Removed Property are subject to that certain Inscription Canyon Ranch Development Agreement, recorded in Book 3707, Page 759 of the Official Records of Yavapai County, Arizona (as amended from time to time, the “**Development Agreement**”), which, among other things, restricts density and contains a minimum open space requirement for the project described therein.

E. Pursuant to the Option Agreement, the parties have agreed to encumber the Trust Property (and other property), for the benefit of the ICR Parties as owners of the Removed Property, with certain density restrictions and open space requirements, all as more fully set forth herein.

DEFINITIONS

1. “**Density Unit**” shall mean a separate lot or parcel of land within the Trust Property (whether improved or unimproved and whether platted or unplatte) intended for independent ownership and use, including any parcel of land designated as a lot on a Recorded plat or any replat of any portion thereof.
2. “**Maximum Density**” shall have the meaning set forth in Section 10 below.
3. “**Minimum Open Space**” shall have the meaning set forth in Section 10 below.
4. “**Open Space**” means areas of real property permanently dedicated or reserved as open space land. The parties intend for Open Space to have the same meaning as “open space” used and described in the Development Agreement.
5. “**Owner**” means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Density Unit. Owner shall not include Persons having an interest in a Density Unit merely as security for the performance of an obligation or a lessee. Owner shall include a purchaser under a contract for the conveyance of real property subject to the provisions of A.R.S. § 33-741 *et seq.* In the case of a Density Unit subject to a deed of trust Recorded pursuant to A.R.S. § 33-801, *et seq.*, the trustor shall be deemed to be the Owner. In the case of the Density Units, the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the trust property shall be deemed to be the Owner.
6. “**Person**” means a natural person, corporation, business trust, estate, trust, partnership, LLC, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.
7. “**Recording**” or “**Record**” means placing an instrument of public record in the office of the County Recorder of Yavapai County, Arizona, and “**Recorded**” means having been so placed of public record.

8. **“Restrictions”** means the density restrictions and open space requirements set forth in Section 10 below.

PROPERTY SUBJECT TO DECLARATION

9. **Property Subject to the Declaration.** The parties hereby declare that all of the Trust Property shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each Person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself or itself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and hereby evidences its interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such Person fully understands and acknowledges that this Declaration shall be beneficial to the ICR Parties and any successors in title to the Removed Property, and enforceable only by the ICR Parties (and any successors in title to the Removed Property) and TRL. The Trust Property and all Units therein and the other rights and obligations created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

DENSITY RESTRICTIONS AND OPEN SPACE REQUIREMENTS

10. **Restrictions.** Unless otherwise approved in writing by the ICR Parties, which approval may be withheld in the ICR Parties’ sole and absolute discretion (provided, however, that the ICR Parties’ approval may not be withheld if a request for approval is consistent with a Reconfiguration Package meeting the criteria set forth in Section 5 of the Option Agreement, as amended), the Trust Property is hereby subject to the following restrictions and requirements (the “**Restrictions**”):

- a. no more than Forty-Five (45) Density Units may be created (by plat, replat, lot split or otherwise) within the Trust Property (referred to herein as the “**Maximum Density**”); and
- b. a minimum of 31.96 acres of the Trust Property must be dedicated or reserved as permanent Open Space (the “**Minimum Open Space**”).

ENFORCEMENT

11. **TRL’s Obligation to Enforce.** TRL shall be obligated to enforce the Restrictions for the benefit of the ICR Parties. If TRL fails or refuses to use its best efforts to enforce the Restrictions, the ICR Parties may, but are under no obligation to, take any action it deems reasonably necessary to enforce any such Restriction(s); whereupon TRL shall reimburse the ICR Parties, upon demand,

for all reasonable costs incurred by the ICR Parties in connection with such enforcement, including attorneys' fees, plus:

- a. an amount equal to Five Thousand Dollars (\$5,000) for each Density Unit proposed to be created in excess of the Maximum Density, and
- b. an amount equal to Ten Thousand Dollars per acre (\$10,000/acre) for any proposed reduction in the Minimum Open Space.

12. Liquidated Damages for Violations. If any Restriction is violated (whether or not enforcement action was taken by TRL and/or the ICR Parties under Section 11), then:

- a. TRL shall pay to the ICR Parties, immediately upon demand, a sum equal to Twenty-Five Thousand Dollars (\$25,000) for each then-existing Density Unit created in excess of the Maximum Density;
- b. TRL shall pay to the ICR Parties, immediately upon demand, a sum equal to Ten Thousand Dollars per acre (\$10,000/acre) for any then-existing reduction in the required Minimum Open Space; and
- c. the Owner(s) who caused the Maximum Density to be violated (by causing a lot split, recording a plat or replat, or otherwise) shall pay liquidated damages to the ICR Parties in the amount of Twenty-Five Thousand Dollars (\$25,000) for each then-existing Density Unit created in excess of the Maximum Density.

With respect to any payments made under Sections 12(a) above, such payment(s) shall be applied to the Annual Performance Covenant (as defined in the Option Agreement) for the year in which such event occurs for the year in which the payment is made, and if the payment exceeds the Annual Performance Covenant for that year, then such excess shall apply to the following year's Annual Performance Covenant).

13. TRL Indemnity. Except for gross negligence or willful misconduct of the ICR Parties, TRL shall indemnify, defend and hold harmless the ICR Parties, and each of their respective subsidiaries, affiliates, members, managers, employees, agents, successors and assigns, from and against any damage, claim, loss, liability or expense of any kind whatsoever (including, without limitation, reasonable attorneys' fees and fees of expert witnesses) arising from or in connection with any Restriction, the violation of any Restriction, or the enforcement of any Restriction. Notwithstanding anything to the contrary contained herein, the provisions of Section 12 shall in no way limit TRL's liabilities or obligations to the ICR Parties for or in connection with TRL's indemnification obligations under this Section 13.

14. No Liability. Without limiting TRL's obligations to the ICR Parties as set forth in this Declaration, in no event shall any of the ICR Parties or TRL be liable to any Owner, or to any other Person, for any damage or loss of any kind suffered or claimed on account of the Restrictions or this Declaration, or any act or omission by any of the ICR Parties or TRL with respect to the enforcement or non-enforcement of the Restrictions.

MISCELLANEOUS

15. Duration. The Restrictions and this Declaration shall continue and remain in full force and effect (subject, however, to the rights to amend, terminate, waive or vary as provided in this Declaration) for a period of twenty (20) years from the date this Declaration is recorded, and shall thereafter be deemed to have been renewed and automatically extended for successive periods of ten (10) years each, unless amended or terminated pursuant to Section 16 hereof.

16. Amendments and Termination. As long as any of the ICR Parties owns, either directly or indirectly, any portion of the Removed Property, this Declaration may not be amended or terminated without the written consent of the ICR Parties, which consent may be withheld in the sole and absolute discretion of the ICR Parties (but subject to the ICR Parties' approval requirements set forth in Section 10, above). Thereafter, this Declaration may be amended or terminated at any time by a majority vote of the then existing owners of lots or parcels within the Removed Property (with 1 vote per lot or parcel owned). No amendments shall be effective until Recorded with the Yavapai County Recorder. Notwithstanding the foregoing, this Declaration shall automatically terminate on January 1, 2075, if not earlier terminate pursuant to this paragraph.

17. Notices.

(a) Any notice required or permitted to be sent under the provisions of this Declaration shall be sent by certified mail or commercial delivery service and the date of such notice will be deemed to have been the date on which such notice is delivered or attempted to be delivered as shown by the certified mail return receipt or a commercial delivery service record. All notices shall be addressed as follows:

To TRL: Talking Rock Land, LLC
Attn: Taber Anderson
8601 N. Scottsdale Road, Suite 335
Scottsdale, AZ 85253

With a copy to:
Chester & Shein, P.C.
Attn: David E. Shein, Esq.
6720 North Scottsdale Road, Suite 261
Scottsdale, AZ 85253

Harvard Investments, Inc.
Attn: Craig Krumwiede
17700 N. Pacesetter Way, Suite 100
Scottsdale, AZ 85255

With a copy to:
Titus Brueckner Levine & Johnson PC
Attn: Jon Titus, Esq.
8355 East Hartford Drive, Suite 200
Scottsdale, AZ 85255

To the ICR Parties: Yolo Cattle Company
Attn: Bryan C. Croll, President
262 Donlea Road
Barrington Hills, IL 60010

With a copy to:
Holdsworth Law Firm, P.C.
Attn: Lori Marschke
3031 Dollar Mark Way, Suite B
Prescott, Arizona 86305

The parties hereto may designate other or additional notice addresses for the delivery of notices required under this Declaration by placing notice thereof of Record.

18. Severability. Invalidation of any one or more of the Restrictions or any other term or provision of this Declaration, in whole or in part, by court order, judgment, statute or otherwise shall in no manner affect the remaining Restrictions or that portion of a Restriction not invalidated, or any other term or provision of this Declaration, all of which shall continue in full force and effect.

19. Restrictions Run with Land. All of the Restrictions contained in this Declaration and all other terms and conditions of this Declaration shall run with the Trust Property and shall be enforceable at law and in equity.

20. Waiver. The waiver of, or failure to enforce, any breach or violation of any of the Restrictions or any other provisions herein contained shall not be deemed to be a waiver of the right to enforce, or be deemed an abandonment of a particular Restriction or provision, nor shall it be deemed to be a waiver of the right to enforce any subsequent breach or violation of such Restriction or provision, regardless of whether any Person affected thereby had knowledge of the breach or violation.

21. Conflicts. In the event of any conflict, ambiguity or inconsistency between the Restrictions and the Development Agreement or any applicable zoning or other ordinances, the stricter shall apply and prevail.

22. Headings and Caption. Headings and captions are inserted for convenience only and are not to be construed as a part of this Declaration or as defining, limiting, amplifying or otherwise modifying in any manner the provisions of this Declaration.

23. 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.

24. Attorneys' Fees. In the event of any action to enforce the provisions of this instrument, the prevailing party shall be entitled to receive its costs and attorneys' fees, in an amount determined by the court and not by a jury.

25. Counterparts. This Declaration may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Declaration as of the date first appearing above.

(signatures begin on next page)

ICR:

INSCRIPTION CANYON RANCH, L.P., an Arizona limited partnership

By: Yolo Cattle Company, an Arizona corporation, General Partner

By: Bryan C. Croll
Bryan C. Croll, President

Bryan C. Croll
Bryan C. Croll, in his capacity as authorized representative of, and on behalf of, each of the following:

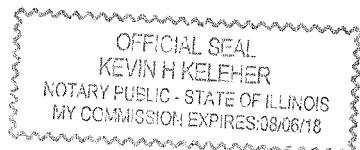
the Bryan C. Croll 2005 Gift Trust *u/a/d* June 17, 2005,
the Stacey C. Croll 2005 Gift Trust *u/a/d* June 7, 2005,
the Steven F. Croll 2005 Gift Trust *u/a/d* June 14, 2005,
the Bryan Croll 2012 Gift Trust, *u/t/a* dated December 28, 2012,
the Steven Croll 2012 Gift Trust, *u/t/a* dated December 11, 2012,
and
the Reiber Gift Trust, *u/t/a* dated December 15, 2012

STATE OF Illinois)
) ss.
County of Lake)

The foregoing instrument was acknowledged before me this 6th day of February, 2018, by Bryan C. Croll, in the above-referenced capacities.

Kevin H. Keleher
Notary Public

My Commission Expires:



TRL:

TALKING ROCK LAND, L.L.C.,
an Arizona limited liability company,
By: Harvard Simon I, L.L.C., Its Manager,
By: TRR Holdings, LLLP, Its Manager,
By: TTLC-TRR Management, LLC, Its General Partner,
By: The True Life Companies, LLC, Its Manager

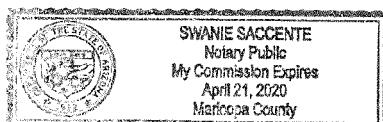
By: Peter B. Buser
Name: Peter B. Buser
Title: Authorized Agent

STATE OF Arizona ss.
County of Mohave

The foregoing instrument was acknowledged before me this 8 day of February,
2018, by Peter B. Buser of The True Life Companies, LLC,
Manager of TTLC-TRR Management, LLC, General Partner of TRR Holdings, LLLP, Manager
of Harvard Simon I, LLC, Manager of Talking Rock Land, LLC.

Notary Public

My Commission Expires:



Trustee:

FIRST AMERICAN TITLE INSURANCE COMPANY, a
Nebraska Corporation (redomesticated from California,
successor by merger to First American Title Insurance Agency,
Inc., an Arizona corporation, as Trustee under Trust # 4750,
and not personally

BY: Charlotte A. Knoll
Charlotte A. Knoll, Senior Trust Officer

STATE OF ARIZONA)
) ss.
County of Maricopa)

On February 7, 2018, before me, the undersigned Notary Public, personally appeared Charlotte A. Knoll, Senior Trust Officer, of FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska Corporation (redomesticated from California, successor by merger to First American Title Insurance Agency, Inc., an Arizona corporation, as Trustee under Trust # 4750, and not personally personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

My Commission Expires:

Jan. 9, 2020

Elaine M. Gill
Notary Public

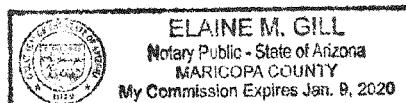


EXHIBIT A

LEGAL DESCRIPTION (TRR EQUESTRIAN PROPERTY)

A portion of Section 11, Township 16 North, Range 3 West of the Gila and Salt River Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the Southwest corner of said Section 11, as depicted on the Survey Plat recorded in Book 53 of Land Surveys, Page 30, records of said Yavapai County;

THENCE South 88 degrees, 11 minutes, 06 seconds East along the South line of said Section 11, a distance of 2711.26 feet to the South quarter corner of said Section 11, as depicted on said Plat;

THENCE South 88 degrees, 10 minutes, 26 seconds East (of record South 88 degrees, 13 minutes East), along said south line, a distance of 164.88 feet (of record 165.00 feet) to the Southwest corner of that certain parcel described in Book 2196 of Official Records, Page 746 and Book 3603 of Official Records, Page 873, records of said Yavapai County, said corner being monumented with a one-half inch iron bar;

THENCE North 00 degrees, 08 minutes, 09 seconds West (of record North 00 degrees, 06 minutes, 45 seconds West), along the West line thereof, a distance of 1826.06 feet (of record 1826.19 feet) to the Northwest corner of said parcel, being also the Southwest corner of that certain parcel described in Book 2633 of Official Records, Page 474, records of said Yavapai County, said corner being monumented with a one-half inch iron bar;

THENCE North 00 degrees, 05 minutes, 23 seconds West (of record North 00 degrees, 06 minutes, 45 seconds West), along the West line of said parcel described in Book 2633, Page 474, a distance of 1829.86 feet (of record 1837.24 feet) to the Northwest corner thereof, being also the Southwest corner of that certain parcel described in Book 2439 of Official Records, Page 517, records of said Yavapai County, said corner being monumented with a one-half inch iron bar;

THENCE North 00 degrees, 07 minutes, 54 seconds West (of record North 00 degrees, 07 minutes, 00 seconds West), along the West line of said parcel described in Book 2439, Page 517, a distance of 1832.47 feet (of record 1832.48 feet) to the Northwest corner of said parcel, said corner being a point on the north line of said Section 11 and being monumented with a one-half inch iron bar;

THENCE North 88 degrees, 56 minutes, 36 seconds West (of record North 88 degrees, 56 minutes, 06 seconds West), along said North line, a distance of 165.03 feet (of record 165.00 feet) to the North quarter corner of said Section 11, as depicted on said Plat;

THENCE North 88 degrees, 56 minutes, 16 seconds West, along said North line, a distance of 2778.19 feet to the Northwest corner of said Section 11, as depicted on said Plat;

THENCE South 00 degrees, 50 minutes, 19 seconds East, along the West line of said Section 11, a distance of 2726.26 feet to the West quarter corner of said Section 11, as depicted on said Plat;

THENCE South 00 degrees, 49 minutes, 50 seconds East, along said West line, a distance of 2726.10 feet to the **POINT OF BEGINNING**.

EXHIBIT B

**LEGAL DESCRIPTION
REMOVED PROPERTY**

AN IRREGULAR SHAPED PORTION OF SECTION 21 AND SECTION 28, TOWNSHIP 16 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER MERIDIAN, YAVAPAI COUNTY, ARIZONA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 21, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SECTION 28, TOWNSHIP 16 NORTH, RANGE 3 WEST, SAID POINT BEING A 2" BRASS CAP IN CONCRETE MARKED CHEEK PE 2398 AS DETAILED AT BOOK 53 OF LAND SURVEYS, PAGE 24, Y.C.O.R., SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 21, NORTH 00°58'29" WEST, A DISTANCE OF 933.90 FEET;

THENCE LEAVING SAID WEST LINE, SOUTH 78°21'33" EAST, A DISTANCE OF 325.30 FEET;

THENCE NORTH 58°21'11" EAST, A DISTANCE OF 358.58 FEET;

THENCE NORTH 33°34'48" EAST, A DISTANCE OF 51.85 FEET;

THENCE NORTH 39°30'33" EAST, A DISTANCE OF 324.12 FEET;

THENCE SOUTH 50°12'33" EAST, A DISTANCE OF 142.28 FEET;

THENCE CONTINUE SOUTH 50°12'33" EAST ALONG SAID LINE, A DISTANCE OF 139.13 FEET;

THENCE SOUTH 85°57'52" EAST, A DISTANCE OF 255.91 FEET;

THENCE NORTH 39°36'11" EAST, A DISTANCE OF 405.17 FEET;

THENCE SOUTH 19°51'26" EAST, A DISTANCE OF 506.42 FEET;

THENCE CONTINUE SOUTH 19°51'26" EAST ALONG SAID LINE, A DISTANCE OF 50.06 FEET TO THE POINT OF CURVE OF A NON-TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES NORTH 23°37'38" WEST, A RADIAL DISTANCE OF 518.31 FEET;

THENCE NORtheasterly along the arc, through a central angle of 15°24'53", a distance of 139.44 feet;

THENCE SOUTH 17°08'39" EAST, A DISTANCE OF 176.18 FEET TO A POINT ON THE NORTH LINE OF INSCRIPTION CANYON RANCH PAD AS RECORDED AT BOOK 38 OF MAPS AND PLATS, PAGE 27, Y.C.O.R.;

THENCE ALONG THE NORTH LINE OF SAID SUBDIVISION, SOUTH $88^{\circ}51'06''$ WEST, A DISTANCE OF 338.55 FEET TO A 1/2" REBAR & CAP RLS 12218;

THENCE ALONG THE WEST LINE OF SAID SUBDIVISION, SOUTH $03^{\circ}40'00''$ EAST, A DISTANCE OF 805.95 FEET TO A 1/2" REBAR AND CAP RLS 16558 MARKING THE NORTHWEST CORNER OF INSCRIPTION CANYON RANCH UNIT 2 PHASE 2 AS RECORDED AT BOOK 38, PAGE 27, Y.C.O.R., SAID POINT ALSO BEING ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 28;

THENCE ALONG THE WEST BOUNDARY OF SAID SUBDIVISION, SOUTH $03^{\circ}40'04''$ EAST, A DISTANCE OF 2,614.04 FEET TO A 1/2" REBAR AND CAP RLS 16558 MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION AND A POINT ON THE EAST-WEST MID-SECTION LINE OF SAID SECTION 28;

THENCE ALONG SAID EAST-WEST MID-SECTION LINE, SOUTH $88^{\circ}28'52''$ WEST, A DISTANCE OF 1,579.00 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 28, SAID POINT BEING A 2" BRASS CAP IN CONCRETE MARKED CHEEK PE 2398 AS DETAILED AT BOOK 53 OF LAND SURVEYS, PAGE 24, Y.C.O.R.;

THENCE ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 28, NORTH $05^{\circ}06'46''$ WEST, A DISTANCE OF 2,627.93 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 6,084,205.57 SQUARE FEET OR 139.67 ACRES, MORE OR LESS.

When recorded, mail to:

Holdsworth Law Firm, PC
3031 Dollar Mark Way, Suite B
Prescott, AZ 86305

Pioneer Title Agency, Inc.

DECLARATION OF DENSITY AND OPEN SPACE RESTRICTIONS

This Declaration of Density and Open Space Restrictions (the “**Declaration**”) is made this 24 day of July, 2018, by and between the following:

- Inscription Canyon Ranch, L.P., an Arizona limited partnership,
- Bryan C. Croll 2005 Gift Trust u/a/d June 17, 2005,
- Stacey C. Croll 2005 Gift Trust u/a/d June 7, 2005,
- Steven F. Croll 2005 Gift Trust u/a/d June 14, 2005,
- Bryan Croll 2012 Gift Trust u/t/a dated December 28, 2012,
- Reiber Gift Trust u/t/a dated December 15, 2012, and
- Steven Croll 2012 Gift Trust u/t/a dated December 11, 2012,

(the above parties are sometimes referred to herein, collectively, as the “**ICR Parties**”);

Talking Rock Land, L.L.C., an Arizona limited liability company (“**TRL**”); and

First American Title Insurance Company, a Nebraska corporation, as Trustee under Trust No. 4750 (“**Trustee**”).

RECITALS

A. The ICR Parties and TRL are parties to that certain 2010 Amended and Restated Option Agreement dated December 31, 2010 (as amended and supplemented, the “**Option Agreement**”), pursuant to which Trustee administers its Trust No. 4750 (the “**Trust**”), which presently holds title to the real property located in Yavapai County, Arizona, and legally described on Exhibit A attached hereto (the “**Trust Property**”), which is commonly known as Phase Six.

B. The ICR Parties and TRL are the beneficial owners of the Trust Property and have the right to control such Trust Property pursuant to the terms of the Trust and the Option Agreement. Trustee, as the trustee of the Trust, holds legal title to the Trust Property and joins in this Declaration for such reason.

C. Pursuant to the Option Agreement, Trustee has conveyed, or will convey, to the ICR Parties certain real property, which is legally described on Exhibit B attached hereto (the “Removed Property”).

D. Both the Trust Property and the Removed Property are subject to that certain Inscription Canyon Ranch Development Agreement, recorded in Book 3707, Page 759 of the Official Records of Yavapai County, Arizona (as amended from time to time, the “**Development Agreement**”), which, among other things, restricts density and contains a minimum open space requirement for the project described therein.

E. Pursuant to the Option Agreement, the parties have agreed to encumber the Trust Property (and other property), for the benefit of the ICR Parties as owners of the Removed Property, with certain density restrictions and open space requirements, all as more fully set forth herein.

DEFINITIONS

1. “**Density Unit**” shall mean a separate lot or parcel of land within the Trust Property (whether improved or unimproved and whether platted or unplatted) intended for independent ownership and use, including any parcel of land designated as a lot on a Recorded plat or any replat of any portion thereof.
2. “**Maximum Density**” shall have the meaning set forth in Section 10 below.
3. “**Minimum Open Space**” shall have the meaning set forth in Section 10 below.
4. “**Open Space**” means areas of real property permanently dedicated or reserved as open space land. The parties intend for Open Space to have the same meaning as “open space” used and described in the Development Agreement.
5. “**Owner**” means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Density Unit. Owner shall not include Persons having an interest in a Density Unit merely as security for the performance of an obligation or a lessee. Owner shall include a purchaser under a contract for the conveyance of real property subject to the provisions of A.R.S. § 33-741 et seq. In the case of a Density Unit subject to a deed of trust Recorded pursuant to A.R.S. § 33-801, et seq., the trustor shall be deemed to be the Owner. In the case of the Density Units, the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the trust property shall be deemed to be the Owner.
6. “**Person**” means a natural person, corporation, business trust, estate, trust, partnership, LLC, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.
7. “**Recording**” or “**Record**” means placing an instrument of public record in the office of the County Recorder of Yavapai County, Arizona, and “**Recorded**” means having been so

placed of public record.

8. **“Restrictions”** means the density restrictions and open space requirements set forth in Section 10 below.

PROPERTY SUBJECT TO DECLARATION

9. **Property Subject to the Declaration.** The parties hereby declare that all of the Trust Property shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each Person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself or itself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and hereby evidences its interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such Person fully understands and acknowledges that this Declaration shall be beneficial to the ICR Parties and any successors in title to the Removed Property, and enforceable only by the ICR Parties (and any successors in title to the Removed Property) and TRL. The Trust Property and all Units therein and the other rights and obligations created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

DENSITY RESTRICTIONS AND OPEN SPACE REQUIREMENTS

10. **Restrictions.** Unless otherwise approved in writing by the ICR Parties, which approval may be withheld in the ICR Parties’ sole and absolute discretion (provided, however, that the ICR Parties’ approval may not be withheld if a request for approval is consistent with a Reconfiguration Package meeting the criteria set forth in Section 5 of the Option Agreement, as amended), the Trust Property is hereby subject to the following restrictions and requirements (the “**Restrictions**”):

- a. no more than twenty-three (23) Density Units may be created (by plat, replat, lot split or otherwise) within the Trust Property (referred to herein as the “**Maximum Density**”); and
- b. a minimum of 6.56 acres of the Trust Property must be dedicated or reserved as permanent Open Space (the “**Minimum Open Space**”).

ENFORCEMENT

11. **TRL’s Obligation to Enforce.** TRL shall be obligated to enforce the Restrictions for the benefit of the ICR Parties. If TRL fails or refuses to use its best efforts to enforce the

Restrictions, the ICR Parties may, but are under no obligation to, take any action it deems reasonably necessary to enforce any such Restriction(s); whereupon TRL shall reimburse the ICR Parties, upon demand, for all reasonable costs incurred by the ICR Parties in connection with such enforcement, including attorneys' fees, plus:

- a. an amount equal to Five Thousand Dollars (\$5,000) for each Density Unit proposed to be created in excess of the Maximum Density, and
- b. an amount equal to Ten Thousand Dollars per acre (\$10,000/acre) for any proposed reduction in the Minimum Open Space.

12. Liquidated Damages for Violations. If any Restriction is violated (whether or not enforcement action was taken by TRL and/or the ICR Parties under Section 11), then:

- a. TRL shall pay to the ICR Parties, immediately upon demand, a sum equal to Twenty-Five Thousand Dollars (\$25,000) for each then-existing Density Unit created in excess of the Maximum Density;
- b. TRL shall pay to the ICR Parties, immediately upon demand, a sum equal to Ten Thousand Dollars per acre (\$10,000/acre) for any then-existing reduction in the required Minimum Open Space; and
- c. the Owner(s) who caused the Maximum Density to be violated (by causing a lot split, recording a plat or replat, or otherwise) shall pay liquidated damages to the ICR Parties in the amount of Twenty-Five Thousand Dollars (\$25,000) for each then-existing Density Unit created in excess of the Maximum Density.

With respect to any payments made under Sections 12(a) above, such payment(s) shall be applied to the Annual Performance Covenant (as defined in the Option Agreement) for the year in which such event occurs for the year in which the payment is made, and if the payment exceeds the Annual Performance Covenant for that year, then such excess shall apply to the following year's Annual Performance Covenant).

13. TRL Indemnity. Except for gross negligence or willful misconduct of the ICR Parties, TRL shall indemnify, defend and hold harmless the ICR Parties, and each of their respective subsidiaries, affiliates, members, managers, employees, agents, successors and assigns, from and against any damage, claim, loss, liability or expense of any kind whatsoever (including, without limitation, reasonable attorneys' fees and fees of expert witnesses) arising from or in connection with any Restriction, the violation of any Restriction, or the enforcement of any Restriction. Notwithstanding anything to the contrary contained herein, the provisions of Section 12 shall in no way limit TRL's liabilities or obligations to the ICR Parties for or in connection with TRL's indemnification obligations under this Section 13.

14. No Liability. Without limiting TRL's obligations to the ICR Parties as set forth in this Declaration, in no event shall any of the ICR Parties or TRL be liable to any Owner, or to any other Person, for any damage or loss of any kind suffered or claimed on account of the

Restrictions or this Declaration, or any act or omission by any of the ICR Parties or TRL with respect to the enforcement or non-enforcement of the Restrictions.

MISCELLANEOUS

15. Duration. The Restrictions and this Declaration shall continue and remain in full force and effect (subject, however, to the rights to amend, terminate, waive or vary as provided in this Declaration) for a period of twenty (20) years from the date this Declaration is recorded, and shall thereafter be deemed to have been renewed and automatically extended for successive periods of ten (10) years each, unless amended or terminated pursuant to Section 16 hereof.

16. Amendments and Termination. As long as any of the ICR Parties owns, either directly or indirectly, any portion of the Removed Property, this Declaration may not be amended or terminated without the written consent of the ICR Parties, which consent may be withheld in the sole and absolute discretion of the ICR Parties (but subject to the ICR Parties' approval requirements set forth in Section 10, above). Thereafter, this Declaration may be amended or terminated at any time by a majority vote of the then existing owners of lots or parcels within the Removed Property (with 1 vote per lot or parcel owned). No amendments shall be effective until Recorded with the Yavapai County Recorder. Notwithstanding the foregoing, this Declaration shall automatically terminate on January 1, 2075, if not earlier terminate pursuant to this paragraph.

17. Notices.

(a) Any notice required or permitted to be sent under the provisions of this Declaration shall be sent by certified mail or commercial delivery service and the date of such notice will be deemed to have been the date on which such notice is delivered or attempted to be delivered as shown by the certified mail return receipt or a commercial delivery service record. All notices shall be addressed as follows:

To TRL: Talking Rock Land, LLC
Attn: Peter Burger
8601 N. Scottsdale Road Suite 335
Scottsdale, AZ 85253

With a copy to:
Chester & Shein, P.C.
Attn: David E. Shein, Esq.
8777 North Gainey Center Drive, Suite 191
Scottsdale, Arizona 85258

Harvard Investments, Inc.
Attn: Craig Krumwiede
17700 N. Pacesetter Way, Suite 100
Scottsdale, Arizona 85255

With a copy to:
Titus Brueckner Levine & Johnson PC
Attn: Jon Titus, Esq.
8355 East Hartford Drive, Suite 200
Scottsdale, Arizona 85255

To the ICR Parties: Yolo Cattle Company
Attn: Bryan C. Croll, President
262 Donlea Road
Barrington Hills, IL 60010

With a copy to:
Holdsworth Law Firm, P.C.
Attn: Lori Marschke
3031 Dollar Mark Way, Suite B
Prescott, Arizona 86305

The parties hereto may designate other or additional notice addresses for the delivery of notices required under this Declaration by placing notice thereof of Record.

18. Severability. Invalidation of any one or more of the Restrictions or any other term or provision of this Declaration, in whole or in part, by court order, judgment, statute or otherwise shall in no manner affect the remaining Restrictions or that portion of a Restriction not invalidated, or any other term or provision of this Declaration, all of which shall continue in full force and effect.

19. Restrictions Run with Land. All of the Restrictions contained in this Declaration and all other terms and conditions of this Declaration shall run with the Trust Property and shall be enforceable at law and in equity.

20. Waiver. The waiver of, or failure to enforce, any breach or violation of any of the Restrictions or any other provisions herein contained shall not be deemed to be a waiver of the right to enforce, or be deemed an abandonment of a particular Restriction or provision, nor shall it be deemed to be a waiver of the right to enforce any subsequent breach or violation of such Restriction or provision, regardless of whether any Person affected thereby had knowledge of the breach or violation.

21. Conflicts. In the event of any conflict, ambiguity or inconsistency between the Restrictions and the Development Agreement or any applicable zoning or other ordinances, the stricter shall apply and prevail.

22. Headings and Caption. Headings and captions are inserted for convenience only and are not to be construed as a part of this Declaration or as defining, limiting, amplifying or otherwise modifying in any manner the provisions of this Declaration.

23. 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.

24. Attorneys' Fees. In the event of any action to enforce the provisions of this instrument, the prevailing party shall be entitled to receive its costs and attorneys' fees, in an amount determined by the court and not by a jury.

25. Counterparts. This Declaration may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Declaration as of the date first appearing above.

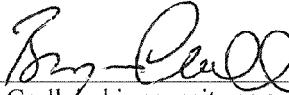
(signatures begin on next page)

ICR:

INSCRIPTION CANYON RANCH, L.P., an Arizona limited partnership

By: Yolo Cattle Company, an Arizona corporation, General Partner

By: 
Bryan C. Croll, President


Bryan C. Croll, in his capacity as authorized representative of, and on behalf of, each of the following:

the Bryan C. Croll 2005 Gift Trust *u/a/d* June 17, 2005,
the Stacey C. Croll 2005 Gift Trust *u/a/d* June 7, 2005,
the Steven F. Croll 2005 Gift Trust *u/a/d* June 14, 2005,
the Bryan Croll 2012 Gift Trust, *u/t/a* dated December 28, 2012,
the Steven Croll 2012 Gift Trust, *u/t/a* dated December 11, 2012, and
the Reiber Gift Trust, *u/t/a* dated December 15, 2012

STATE OF Illinois)
County of Lake) ss.

The foregoing instrument was acknowledged before me this 23rd day of July, 2018, by Bryan C. Croll, in the above-referenced capacities.



Notary Public

My Commission Expires: 8/06/2018



TRL:

TALKING ROCK LAND, L.L.C.,
an Arizona limited liability company,
By: Harvard Simon I, LLC, Its Manager,
By: TRR Holdings, LLLP, Its Manager,
By: TTLC-TRR Management, LLC, Its General Partner,
By: ~~The True Life Companies, LLC~~, Its Manager

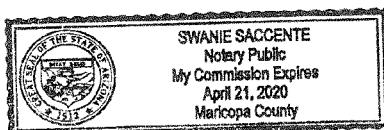
By: John Doe
Name: Peter Burger
Title: Authorized Agent

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 24 day of July, 2018, by
Peter Burger, the Authorized Agent of The True Life Companies, LLC, in
its capacity as Manager of TTLC-TRR Management, LLC, in its capacity as General Partner of
TRR Holdings, LLLP, in its capacity as Manager Harvard Simon I, LDC, Manager of Talking
Rock Land, L.L.C.

Notary Public

My Commission Expires:



Trustee:

First American Title Insurance Company, a Nebraska corporation (redomesticated from California effective July 1, 2014), as Trustee under Trust No. 4750, and not personally

By: Charlotte A. Knoll
Name: Charlotte A. Knoll
Title: Senior Trust Officer

STATE OF ARIZONA)
) ss.
County of Mariposa)

The foregoing instrument was acknowledged before me this 31 day of July, 2018, by Charlotte A. Knoll, Senior Trust Officer, of First American Title Insurance Company, a Nebraska corporation (redomesticated from California effective July 1, 2014), as Trustee under Trust No. 4750, and not personally.

Elaine M. Gill
Notary Public

My Commission Expires:

Jan. 9, 2020

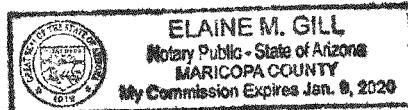


EXHIBIT A
(attached)

**LEGAL DESCRIPTION
PHASE SIX
TALKING ROCK RANCH
(10/24/05)**

The following legal description is of a parcel of land lying within Sections 15 and 22, Township 16 North, Range 3 West of the Gila and Salt River Meridian, Yavapai County, Arizona, more particularly described as follows:

Beginning at a found brass capped monument at the Northwest corner of Section 22, from which the Northeast corner of said Section 22 bears South 89°22'07" East, a distance of 5625.94 feet (Record per a Results of Survey as recorded in Book 53 of Maps and Plats, Page 25 in the Office of the Yavapai County Recorder and Basis of Bearings for this description)

Thence South 89°22'07" East along the north line of Section 22, a distance of 2593.78 feet to the TRUE POINT OF BEGINNING;

Thence North 24°42'47" West, a distance of 340.00 feet to a point on the boundary line of the Golf Course-Central Parcel as recorded in Book 3984 of Official Records, Page 485 in the Office of the Yavapai County Recorder;

Thence North 52°31'50" East along said boundary line, a distance of 195.19 feet to the beginning of a curve tangent to said line;

Thence northeasterly a distance of 21.52 feet along the curve concave to the northwest, having a radius of 175.04 feet and a central angle of 07°02'41";

Thence North 45°29'09" East tangent to said curve, a distance of 803.38 feet;

Thence leaving said boundary line North 45°29'09" East, a distance of 88.22 feet to a point on the westerly Right of Way line of Double Adobe Road as shown on the plat of Talking Rock Ranch Phase 9-D (Book 54 of Maps and Plats, Page 10), Phase 3-D (Book 54 of Maps and Plats, Page 12), Phase 3-C (Book 54 of Maps and Plats, Page 6), and Phase 3-A (Book 47 of Maps and Plats, Page 30) all recorded in the Office of the Yavapai County Recorder;

Thence South 44°58'09" East, a distance of 29.74 feet to the beginning of a curve tangent to said line;

Thence southeasterly and southerly a distance of 128.16 feet along the curve concave to the southwest, having a radius of 266.00 feet and a central angle of 27°36'21";

Thence South 17°21'48" East tangent to said curve, a distance of 62.80 feet to the beginning of a curve tangent to said line;

Thence southerly a distance of 90.75 feet along the curve concave to the west, having a radius of 416.00 feet and a central angle of 12°29'57" to a point of compound curvature;

Thence southerly, southwesterly and westerly a distance of 43.26 feet along the arc of said curve concave to the northwest having a radius of 25.00 feet and a central angle of 99°08'31";

Thence North 85°43'20" West tangent to said curve, a distance of 18.03 feet;

Thence South 04°16'40" West, a distance of 81.00 feet;

Thence South 85°43'20" East, a distance of 23.00 feet to the beginning of a curve tangent to said line;

Thence easterly, southeasterly and southerly a distance of 39.27 feet along the curve concave to the southwest, having a radius of 25.00 feet and a central angle of 90°00'00";

Thence South 04°16'40" West tangent to said curve, a distance of 16.46 feet to the beginning of a curve tangent to said line;

Thence southerly and southwesterly a distance of 355.90 feet along the curve concave to the west, having a radius of 666.00 feet and a central angle of 30°37'05";

Thence South 34°53'45" West tangent to said curve, a distance of 224.12 feet to the beginning of a curve tangent to said line;

Thence southwesterly a distance of 148.76 feet along the curve concave to the southeast, having a radius of 1234.00 feet and a central angle of 06°54'25" to a point on the north line of Section 22, from which the northeast corner of Section 22 bears South 89°22'07" East, a distance of 2574.13 feet;

Thence southwesterly and southerly a distance of 127.62 feet continuing along the arc of said curve, through a central angle of 05°55'31" to the northeasterly corner of Talking Rock Ranch Phase 5-A as recorded in Book 51 of Maps and Plats, Page 66 in the Office of the Yavapai County Recorder;

Thence leaving the said westerly Right of Way line of Double Adobe Road, North 76°56'38" West, along the northerly line of said Phase 5-A, a distance of 400.52 feet to the most northerly corner of said Phase 5-A;

Thence leaving the northerly line of said Phase 5-A, North 24°42'47" West, a distance of 33.19 feet to the TRUE POINT OF BEGINNING.

Containing 13.40 Acres, more or less.

Subject to any easements and/or Rights of Way that may exist on the above described property.

This legal description was prepared by Earl G. Watts, LS 27253, at the request of Shephard-Wesnitzer Inc., Sedona, AZ.



EXHIBIT B
(attached)



**A PORTION OF TALKING ROCK RANCH
TRUST NUMBER 4750
BEING THE REMOVED PROPERTY FROM OPTION**

AN IRREGULAR SHAPED PORTION OF SECTION 21 AND SECTION 28, TOWNSHIP 16 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER MERIDIAN, YAVAPAI COUNTY, ARIZONA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 21, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SECTION 28, TOWNSHIP 16 NORTH, RANGE 3 WEST, SAID POINT BEING A 2" BRASS CAP IN CONCRETE MARKED CHEEK PE 2398 AS DETAILED AT BOOK 53 OF LAND SURVEYS, PAGE 24, Y.C.O.R., SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 21, NORTH 00°58'29" WEST, A DISTANCE OF 933.90 FEET;

THENCE LEAVING SAID WEST LINE, SOUTH 78°21'33" EAST, A DISTANCE OF 325.30 FEET;

THENCE NORTH 58°21'11" EAST, A DISTANCE OF 358.58 FEET;

THENCE NORTH 33°34'48" EAST, A DISTANCE OF 51.85 FEET;

THENCE NORTH 39°30'33" EAST, A DISTANCE OF 324.12 FEET;

THENCE SOUTH 50°12'33" EAST, A DISTANCE OF 142.28 FEET;

THENCE CONTINUE SOUTH 50°12'33" EAST ALONG SAID LINE, A DISTANCE OF 139.13 FEET;

THENCE SOUTH 85°57'52" EAST, A DISTANCE OF 255.91 FEET;

THENCE NORTH 39°36'11" EAST, A DISTANCE OF 405.17 FEET;

THENCE SOUTH 19°51'26" EAST, A DISTANCE OF 506.42 FEET;

THENCE CONTINUE SOUTH 19°51'26" EAST ALONG SAID LINE, A DISTANCE OF 50.06 FEET TO THE POINT OF CURVE OF A NON-TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES NORTH 23°37'38" WEST, A RADIAL DISTANCE OF 518.31 FEET;

THENCE NORTHEASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 15°24'53", A DISTANCE OF 139.44 FEET;

THENCE SOUTH 17°08'39" EAST, A DISTANCE OF 176.18 FEET TO A POINT ON THE NORTH LINE OF INSCRIPTION CANYON RANCH PAD AS RECORDED AT BOOK 38 OF MAPS AND PLATS, PAGE 27, Y.C.O.R.;

THENCE ALONG THE NORTH LINE OF SAID SUBDIVISION, SOUTH 88°51'06" WEST, A DISTANCE OF 338.55 FEET TO A 1/2" REBAR & CAP RLS 12218;

THENCE ALONG THE WEST LINE OF SAID SUBDIVISION, SOUTH 03°40'00" EAST, A DISTANCE OF 805.95 FEET TO A 1/2" REBAR AND CAP RLS 16558 MARKING THE NORTHWEST CORNER OF INSCRIPTION CANYON RANCH UNIT 2 PHASE 2 AS RECORDED AT BOOK 38, PAGE 27, Y.C.O.R., SAID POINT ALSO BEING ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 28;

THENCE ALONG THE WEST BOUNDARY OF SAID SUBDIVISION, SOUTH 03°40'04" EAST, A DISTANCE OF 2,614.04 FEET TO A 1/2" REBAR AND CAP RLS 16558 MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION AND A POINT ON THE EAST-WEST MID-SECTION LINE OF SAID SECTION 28;

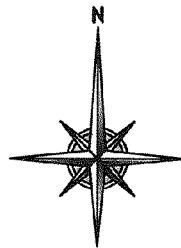
THENCE ALONG SAID EAST-WEST MID-SECTION LINE, SOUTH 88°28'52" WEST, A DISTANCE OF 1,579.00 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 28, SAID POINT BEING A 2" BRASS CAP IN CONCRETE MARKED CHEEK PE 2398 AS DETAILED AT BOOK 53 OF LAND SURVEYS, PAGE 24, Y.C.O.R.;

THENCE ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 28, NORTH 05°06'46" WEST, A DISTANCE OF 2,627.93 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 6,084,205.57 SQUARE FEET OR 139.67 ACRES, MORE OR LESS.

A PORTION OF TRUST NO. 4750

SECTION 21 & SECTION 28,
TOWNSHIP 16 NORTH, RANGE 3 WEST,
GILA AND SALT RIVER MERIDIAN,
YAVAPAI COUNTY, ARIZONA



DEER TRAIL
ACRES

FIRST AMERICAN TITLE
INSURANCE AGENCY
TR 4750

2018-0041490 RES
08/10/2018 11:56:21 AM Page 17 of 17

SOUTHWEST CORNER SECTION 21
NORTHWEST CORNER SECTION 28

LONG MEADOW
RANCH

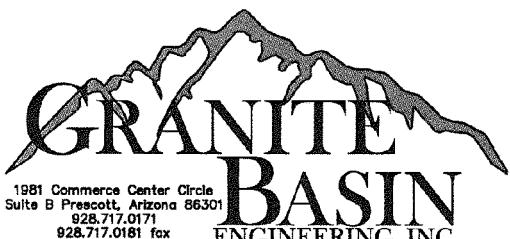
REMOVED PROPERTY
FROM OPTION
139.67 ACRES‡

WEST QUARTER
CORNER SECTION 28

STATE OF ARIZONA

INSCRIPTION
CANYON RANCH
UNIT 5 PAD

INSCRIPTION CANYON RANCH
UNIT 2 PHASE 2



A PORTION OF
TRUST NO. 4750
REMOVED PROPERTY FROM OPTION

FIRST AMERICAN TITLE
INSURANCE AGENCY TR 4750
17700 NORTH PACESETTER WAY
SCOTTSDALE, ARIZONA 85255

GBE JOB #: 16091

DRAWN BY: TL

DATE: 8/29/2016

NOT TO SCALE