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COLCORD COVE ASSOC LLC



Gila County, AZ

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WHEN RECORDED, RETURN TO:
 COLCORD COVE ASSOCIATION LLC
 8238 E. Kramer Circle
 Mesa, Arizona 85207
 480-984-7200

**COVENANTS, CONDITIONS, AND RESTRICTIONS
 FOR
 COLCORD COVE ASSOCIATION, LLC**

AND FOR THE "MINOR LAND DIVISIONS" KNOWN AS "COLCORD COVE"
 Dated the 22nd day of September 2006

THESE COVENANTS, CONDITIONS, AND RESTRICTIONS (herein referred to as the C.C.&R'S) are created, established and made effective against and for all of the real property identified as a part of H. E. S Number 467, in Gila County Arizona and further identified as Parcels "AA", "BB", "CC", "DD", and "EE", under Gila County number 303-15-001P and according to the "Minor Land Division" Plat Map # 3216 of Docket # 2006-01649 for Terra Quest Trust, an Arizona Trust (Larkin A. Palmer its Trustee) and also identified as Parcels 1A, 1B, 1C, 1D and 1E, under Gila County number 303-15-001N, and according to the "Minor Land Division" Plat Map # 3217 of Docket # 2006-01650 for Richard M. (Mark) Spaulding, and both Plat Maps are dated the 20th day of September 2006, and both "Minor Land Divisions" shall collectively be known as "COLCORD COVE". All of the Parcel "Owners" as signed herein below and as may become "Owners" in the future are subject to and required to follow these "C.C.&R'S" as declared herein or as may be lawfully amended from time to time as required. Any person or Entity that is are or that becomes an "Owner" of one or more of the Parcels as described herein becomes a "Member" and all "Owners"/"Members" are or become "Declarants" and initially those "Owners"/"Members"/"Declarants" as signed herein below have created, established and activated the "C.C.&R'S", for the purposes and considerations set forth herein.



WITNESSETH:

WHEREAS, each "Declarant" is or may become the "Owner" of one (1) or more Parcels in "COLCORD COVE", according to the Plats as recorded in Gila County, Arizona under Map # 3216, Doc. # 2006-01649 for Terra Quest Trust and Map # 3217, Doc. # 2006-01650 for Richard M. (Mark) Spalding dated the 20th day of September 2006, in the office of the County Recorder of Gila County, Arizona; each "Owner" signing herein below shall set forth their signatures below or added hereto and subject to these "C.C.&R'S" by the purchase of any Parcel becoming an "Owner", a "Member" and a "Declarant";

WHEREAS, the "Owners"/"Members"/"Declarants" as of the date of this legal document have formed the "COLCORD COVE ASSOCIATION, LLC", and referred to herein as the "Association", as now declared herein;

WHEREAS "COLCORD COVE ASSOCIATION, LLC", has "Members" pursuant to the Arizona Revised Statutes;

WHEREAS, "Declarants" hereby establish these "C.C.&R'S" by signing their names as printed on the signature pages hereto, or as acknowledged in the future by parties completing the purchase of one or more Parcels..

NOW, THEREFORE, all of the statements in the WHEREAS clauses above are a part hereof as though re-stated herein and the "Declarants" signing herein below declare that these "C.C.&R'S" are effective and in full force and effect as set forth the 21st day of September 2006 by the "Owners"/"Members"/"Declarants" signing herein below. Thus, creating these "C.C.&R'S" for "COLCORD COVE ASSOCIATION, LLC", its "Members", and for the "Minor Land Divisions" "Colcord Cove" under Map # 3216, Doc. # 2006-01649 for Terra Quest Trust; and Map # 3217, Doc. # 2006-01650 for Richard M. (Mark) Spalding dated the 20th day of September 2006, in the office of the County Recorder of Gila County, Arizona, and shall herein be referred to as "COLCORD COVE". The "Declarants" declare that all of the real property in the "Minor Land Division" known as "COLCORD COVE" shall be held, sold, conveyed, and enjoyed subject to these "C.C.&R'S" which are established for the



purpose of protecting the rights, value, and desirability of all private property of the "Minor Land Divisions" and for each Parcel "Owner"/"Member"/"Declarant" now and in the future. These "C.C.&R'S" shall run with the title to the real property and be binding on all parties having any right, title or interest in any one (1) or more of the described ten (10) Parcels and all associated "Common Areas" as shown on the two (2) recorded Minor Land Division Plats or any part thereof including their heirs, successors, and assigns and all shall inure to the benefit of each and all "Owners"/"Members"/"Declarants" thereof and all of their successors and assigns.

**ARTICLE I
DEFINITIONS**

Section 1. "Association" shall mean and refer to "COLCORD COVE ASSOCIATION, LLC" as created by the "Articles of Organization" of the LLC, and further managed by an "Operating Agreement" and its "Summary" and these "C.C.& R'S", all four (4), as created the first date set forth above on Page One (1), or as may be Re-stated and/or Amended in the future by the required affirmative vote of a majority of the "Owners"/"Members"/"Declarants":

Section 2. "Properties" shall mean and refer to the "Minor Land Division" Plats as referenced above and recorded in the office of the Recorder's Office of Gila County, Arizona or any specific part thereof, as stated herein below, and as may be described in the "Articles of Organization" (herein "Articles"), the "Operating Agreement" and its "Summary" and these "Covenants, Conditions, and Restrictions" (herein "C.C.&R'S"), and such additions thereto as may hereafter be brought within the jurisdiction of the "Association" and only if approved under the requirements of "Article" I of Section 1 herein above.

Section 3. "Common Areas" shall mean the roads, well sites, utility easements, physical access rights and the legal easement access that are portions of the Properties (including the improvements thereto) that are all owned by the "Owners"/ "Members"/"Declarants" collectively and managed by the "Association"



for the common intrinsic, peaceful use, and enjoyment of the "Owners"/
"Members"/"Declarants", their families, invited guests, lessees, heirs, assigns, etc.

Section 4. "Parcel" shall mean and refer to those ten (10) Real Estate Parcels as shown upon the recorded Plats of the "Minor Land Divisions" referenced above and in Gila County, Arizona with each Parcel "Owner's" right, title, and interest in and to the "Common Areas", i.e. tracts, roads, ingress and egress, water wells and pump houses, and equipment etc., that are also a part of the "Minor Land Divisions", known as "Colcord Cove".

Section 5. "Owner"/"Member"/"Declarant" shall mean and refer to the record owner, or all future Owners, whether one (1) or more persons or one (1) or more officers of an entity(ies), of a fee simple or an encumbered title to any one (1) or more Parcels which are a part of the "Minor Land Divisions" as described herein, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. However, if that or those holding a security interest completes a valid foreclosure or forfeiture, that or those Holders of a security interest then becomes a new "Owner" and that new "Owner" is automatically, by title (deed), a "Member" of the "Association" with all right, title, interest, and power to attend all meetings. However when a foreclosure is complete, that new Owner" is a "Member" and then subject to all of the requirements set forth herein. It is the responsibility of all new "Owners"/"Members"/"Declarants", by purchase or foreclosure, to notify the "Association" via the "President", one (1) or more Vice Presidents, the Secretary/Treasurer, and all of the other Parcel "Owners" so that all know of the new Parcel "Owner"/"Member"/"Declarant" with voting rights.

Section 6. "Owners"/"Members"/"Declarants" shall mean and refer to at this time as all of the ten (10) Parcel "Owners"/"Members", and any of their successors and assigns.

Section 7. "C.C.&R'S" shall mean and refer to these "Covenants, Conditions, and Restrictions" applicable to the "Colcord Cove Association, LLC" as filed with the Arizona Corporation Commission, and the two(2) "Minor Land Divisions" as



recorded and known as "Colcord Cove" are under the jurisdiction of these "C.C.& R'S" and dated the 21st day of September 2006, and recorded the 21st day of September 2006, under Gila County recording numbers _____ in the Office of the County Recorder of Gila County, Arizona, as also may be re-stated and/or amended from time to time under the requirements of this **Article I, Section 1.** and the "Operating Agreement", its "Summary" and these "C.C.&R'S".

Section 8. Voting "Owner(s)"/"Member(s)"/"Declarant(s)" shall mean and refer to those ten (10) "Member(s)" all of which are entitled to vote at all meetings and as an "Owner" of one (1) or more of the ten (10) "Parcels" of the "Minor Land Divisions". Each Parcel "Owner" is a "Member" of the "Association" and a "Declarant" to this "C.C.& R'S" document and each "Owner" may vote as a "Member" or as an alternate as provided. All documents listed in this **Article I.** are all intended to be in harmony, one with all others.

ARTICLE II

PROPERTY RIGHTS AND DELEGATION OF USE

Section 1. Easements of Peaceful use and Enjoyment. Every "Owner"/"Member"/"Declarant" shall have the right to vote at all meetings duly called and noticed and the right and easement of peaceful enjoyment in and to the "Common Areas" and all of which shall be appurtenant to and shall automatically pass with the (Deed) title to each and every subsequent Owner and regards all Parcels, subject to the following provisions:

- (a) The right of the "Association" to limit, within reason and fairness to all, the number of guests of an "Owner"/"Member"/"Declarant" or lessee and for all Parcels and the "Common Areas"; and
- (b) Physical and legal Ingress and egress are provided to all Parcel "Owners"/"Members"/"Declarants", however the right of the "Association" to reasonably regulate the speed of travel, and/or to prevent the abuse of the private roadways and to the "Common Areas" and all shall be subject to the required irrevocable ingress and irrevocable egress of and for the individual "Owners"/"Members"/"Declarants"; and



Section 2. Delegation of Use. Any "Owner"/"Member"/"Declarant" may delegate his/her/their rights of peaceful enjoyment to their Parcel and use of the "Common Areas" and facilities to the members of his/her/their family, his/her/their lessee(s) or friends and invited guests as more detailed in Article VII, or contract purchasers under contract who reside thereon from time to time and have legal occupancy of and to the property.

Section 3. Exterior Maintenance. The occupants, whether "Owner", guests or lessees, shall keep the exterior of all buildings and the Parcel premises clean, neat, and free from debris and other unsightly conditions. In the event that a lessee fails to keep and/or maintain the exterior of any building and/or the Parcel premises as required, the "Association" can, after a reasonable thirty (30) day notice, terminate and/or void any lease for failure of a tenant/lessee to comply as reasonably required. All lease agreements shall include these requirements and all tenants/lessees shall acknowledge, in writing, their understanding that all of the "Covenants, Conditions and Restrictions" of these "C.C.&R'S" are also a lessee's responsibility and liability. Such failure to comply with the required maintenance and upkeep of the exterior of the building(s) and/or the Parcel premises under lease, shall not relieve the Parcel "Owner(s)"/"Member(s)"/"Declarant(s)" that is/are the lessor of any such lease of a Parcel and the buildings thereon in the "Minor Land Divisions".

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Parcel "Owner" is a "Member" of the "Association" and all "Members" must be a Parcel "Owner" or their alternate and all of the ten (10) Parcels are subject to reasonable, fully authorized "Association" assessments; to be used as directed by the "Association". Voting Membership in the "Association" shall be appurtenant to and may not be separated from ownership of any Parcel of the "Minor Land Divisions" together with their appurtenant right to the "Common Areas". All Parcels are equally subject to all reasonable and approved assessments and use as set



forth and reasonably approved by the "Association". The initial annual assessment due October 1st from each parcel is, One Thousand Dollars (\$1000.00).

Section 2. The "Association" shall have one (1) class of voting membership, which shall consist of ten (10) "Owners"/"Members"/"Declarants". Each "Owner"/"Member"/"Declarant" shall be entitled to one (1) vote for each Parcel owned. When more than one (1) person holds a fee simple interest or an encumbered interest in any Parcel, all such persons shall be an "Owner"/"Member"/"Declarant". However, the vote for such Parcel shall be exercised as that "Owner"/"Member"/"Declarant" determines, but in no event shall more than one (1) vote be cast with respect to any one (1) of the ten (10) Parcels. All votes will be cast by a representative from each of the ten (10) "Owners"/"Members"/"Declarants" or their selected legal alternates unless otherwise restricted herein.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of a Continuing Lien and Obligation against each "Owner's"/"Member's" Parcel by the acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay all necessary authorized "assessments" levied by the "Association": (1) reasonable, fair, and equitable annual assessments or charges, such as set forth in the "Summary", requires a vote of six (6) of ten (10) of the "Owners"/"Members"; and (2) special assessments for capital improvements, major repairs or replacement of all required items as approved by the "Association" must be by a vote of six (6) of the ten (10) "Owners"/"Members" of one (1) or more Parcels. All such assessments shall be established and collected as hereinafter provided; and (3) special assessments for incidental or consequential damage to the "Association" that is caused by one (1) or more "Owner's"/"Member's" or their guests, family members, friends, lessees, etc., and by their failure and/or refusal to comply with any provision of these "C.C.&R'S"; and (4) any other payments to the "Association" required hereunder by all such authorized assessments must be authorized, established, and collected as hereinafter provided.



- (a) The annual and special assessments, together with interest, costs, and reasonable fees, if necessary, shall be an authorized charge equally against all ten (10) Parcels and shall be a continuing lien upon all Parcels against which all such assessments are created and approved as required herein; and
- (b) Each such assessment shall be the same amount for each Parcel together with interest, costs, and reasonable fees that shall also be the obligation of the "Owner(s)"/"Member(s)" of record who was the "Owner"/"Member" of such Parcel at the time when the assessment was approved, fell due, and such "Owner"/"Member" shall not be relieved from any "Association" approved assessment obligation upon sale of the property.
- (c) The annual assessment against each parcel is: \$750.00 (Seven Hundred Fifty dollars) due on or before October 31, 2006 or within 60 days of title transfer for each parcel.

Section 2. Purpose of Assessments. The assessments as authorized and levied by the "Association" shall be used to promote the recreation, health, safety, and welfare of and for all residents, Parcel "Owners"/"Members" of the "Minor Land Divisions", and for the improvements, maintenance, and repair of the "Common Areas" as caused by acts of God and normal wear and tear. The assessments shall also be used to establish, improve, and maintain a water system for the Parcel "Owners"/"Members" that shall include two (2) wells, two (2) or more pumps, two (2) or more pressure tanks and back up pressure tanks, two (2) or more 2,500-gallon storage tanks, booster pumps, electric service panels and all necessary related equipment and primary water lines, together with two (2) pump houses large enough to house the pressure tank, fire equipment, and other necessary equipment.

Section 3. Annual Assessments. The "Association" may fix annual assessments for the "Summary" items in such reasonable amounts as the "Association" deems necessary to meet the reasonable needs of the "Association" by a vote as set forth in **Section 6** herein below.



Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the "Association" may levy, in any assessment year, special assessments applicable to that year, only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the "Common Areas", including fixtures, equipment, and other property-related thereto, provided that any such capital improvement assessment shall have the affirmative vote of a majority of seven (7) of the ten (10) Parcel "Owners"/"Members" of the "Minor Land Divisions" "Association" who shall be Voting "Members" or alternates in person.

Section 5. Special Assessment for Attorneys' Fees. In addition to the annual assessments authorized above, the "Association" may levy, in any assessment year, a special assessment applicable to that year, only for the purpose of defraying, in whole or in part, the cost of any valid attorneys' fees incurred by the "Association", provided that any such assessment shall have the vote of a majority, six (6) of ten (10), of the "Owners"/"Members" of the "Association" who are voting in person at a meeting duly called for the specific purpose as stated and required in the notice with a detailed agenda. However, attorney fees shall not be used by the "Association" and/or any of the "Owners"/"Members" for or by one (1) or more Parcel "Owners"/"Members" against one (1) or more Parcel "Owners"/"Members" for personal disputes, grudges, gratification or other personal matters.

Section 6. Notice and Quorum for Any Action Authorized Under All Sections. Written notice of any and all meeting called must be with a written detailed agenda as required and for the purpose of taking any action authorized under all Sections and said notice and agenda shall be sent to all "Owners"/"Members" at least thirty (30) days but not more than fifty (50) days in advance of any meeting. At all such meetings called, there shall be an agenda of detailed items and for general business, and six (6) of the ten (10) votes are required, in person or by absentee Ballots to cast votes for or against items. Absentee votes can add to others to constitute a quorum. If the required quorum is not present, another meeting may be called subject to an



additional notice requirement and together with the required written detailed agenda. Secret clustered meetings are not allowed.

Section 7. However, if any such meeting notice and agenda is for the purpose of changing, amending, deleting from, or in any other way altering the "Articles of Organization", the "Operating Agreement" and its "Summary" and/or these "C.C.&R'S" or any such action that results in any of the same, then a vote of seven (7) of the ten (10) Parcel "Owners"/"Members" and in person ONLY, is required to make such change(s) etc.

Section 8. Rate of Assessment. The amounts of both annual and special assessments amounts hereafter shall be set by the "Association" at a meeting duly called, noticed, and with a written detailed agenda and will be due and owing at such times as reasonably designated by the "Association", but not less than thirty (30) days after such assessment authorization notice is delivered to all Parcel "Owners"/"Members" at the same time and mailed from the same place by the President/Secretary/Treasurer or any two other "Owners"/"Members" or as otherwise authorized herein.

Section 9. Previous Assessments. All such previous assessments as authorized by contract or the "Association" and remaining unpaid as of the date of any contract or written above on Page One (1) in September 2006 or later shall be paid by all such "Owners"/"Members" of the "Association" according to any contract. Further, the "Association" shall have the collection remedies specified in said contracts and in these "C.C.&R'S" to enforce such unpaid assessments. The assessments previously levied by contract and remaining unpaid shall continue to be in full force and effect and as re-stated by these "C.C.&R'S".

Section 10. New Assessments and Certificates. Written notice of any assessment shall be sent to every "Owner"/"Member" by US Mail and subject thereto. The "Association" shall establish the due dates, but not less than thirty (30) days after written receipt of such valid notice. The "Association" shall, upon demand, and for a reasonable charge of ten U.S. Dollars (\$10.00), furnish a certificate signed by an officer



of the "Association" setting forth whether that Parcel "Owner(s)" / "Member(s)" assessments on a specified Parcel have been paid or not. If not, the amount due shall be stated in said certificate. A properly executed certificate of the "Association" as to the status of assessments on a Parcel is binding upon the "Association" as of the date of its issuance and thereafter signed by an authorized officer of the "Association".

Section 11. Effect of Nonpayment of Assessments: Remedies of the "Association". Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the prime rate quoted by the daily market index, or its successor index, as such rate may change from time to time, plus two percent (2%) per annum. After at least a sixty (60) day default notice by the "Association", the "Association" may bring an action against the title "Owner" / "Member" obligated to pay the delinquent assessment and/or foreclose any lien created by any unpaid assessments against the property. No "Owner" / "Member" may waive or otherwise avoid liability for the assessments provided for herein by non-use of the "Common Areas" or abandonment of his/her or their Parcel.

Section 12. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Parcel shall not affect the assessment lien. However, the sale or transfer of any Parcel pursuant to foreclosure on a first mortgage or any proceeding in lieu thereof, shall not extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No such foreclosure, sale or transfer shall not relieve such Parcel "Owner" / "Member" from liability for any assessments becoming due after the date thereof.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. Subject to Article IX, Section 2, no building, fence, wall, or other structure shall be commenced, erected or maintained upon the Parcels nor shall any exterior addition to or change or alteration thereon be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the



same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the "Association", as may be considered and approved by the reasonable acts of an Architectural Control Committee composed of three (3) or more representatives appointed by the "Association". The initial Architectural Control Committee shall be Larkin Palmer, Mark Spaulding and Brooks Allen. All of the "Owners"/"Members" of any and all committees of the "Association" shall be a Parcel "Owner" and an "Association" "Member". In the event said "Association", or its designated Architectural Control Committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been received by the "Association" or the Architectural Control Committee, approval shall not be required, and this Article shall be deemed to have been fully complied and completed.

**ARTICLE VI
NOTICE OF SALE**

Section 1. Within thirty (30) days after the sale of a Parcel, the previous "Owner" and the NEW "Owner"/"Member" shall notify the "Association" in writing of the date of the sale and the buyer's name, mailing address and that "Owners" selection of the "Member" and the alternate authorized to vote as required in any or all "Association" "Articles", "Operating Agreement" and its "Summary" and these "C.C.& R'S" all dated in the month of September 2006 and after.

**ARTICLE VII
USE AND OCCUPANCY RESTRICTIONS**

Section 1. Parcels. All Parcels shall be used exclusively for single-family residential purposes and shall contain a minimum of 2500 square feet of interior floor space, excluding porches, garages, carports, and patios.

- (a) One guest cottage may be constructed on each Parcel, but only after completion of a single-family residence thereon.
- (b) Original Parcels shall not be divided into parcels of less than one acre, except for public utilities or other required easements.



- (c) The building set backs shall be as follows:
- a. 20 feet from the front of any public or private road.
 - b. 20 feet from the side of any public or private road.
 - c. 20 feet from the rear of any public or private road.
 - d. The same set backs apply to parcels that do not have any public or private road easements.
- (d) New and Permanent Construction. All improvements shall be of new and permanent construction, and no improvements shall be moved onto, from, and within any Parcel, except acceptable storage facilities or sheds, as defined by Subparagraph (f) below; provided, however, that temporary structures may be placed and maintained on a Parcel for a period not exceeding eighteen (18) months in connection with the construction of improvements thereon, if previously approved and authorized in writing by the "Association" or its designated Architectural Control Committee. Any such temporary structure shall be promptly removed upon completion of the construction to which it relates.
- (e) Diligent Pursuant of Construction, Maintenance, and Repairs. All construction, maintenance, and repair work shall be diligently pursued from commencement until completion. All buildings shall be completed within eighteen (18) months after the commencement of construction. The time limits set forth in this paragraph may be extended by any period during which construction is not able to proceed due to Acts of God, weather conditions, labor disturbances, actual inability to procure necessary materials, or other causes beyond the reasonable control of the "Owner"/"Member".
- (f) Motor Vehicles. Recreational vehicles (i.e.) motorcycles, dune buggies, ATV's, etc.) shall operate only for reasonable recreational or legitimate transportation purposes, and shall operate only on "Common Areas" roads, at speeds of fifteen miles per hour or less and on or within the relevant "Owner(s)"/ "Member(s)" Parcel. All such vehicles should be properly baffled or muffled. Riding shall not be repetitive in one location, and shall not



be done in front of other Landowner's property so as to cause noise, dust or other similar nuisances.

- (g) Maintenance and Repair of Improvements. No improvement shall be permitted to fall into disrepair. "Owners"/"Members" shall maintain in good repair all exterior surfaces, including but not limited to walls, porches, patios, and appurtenances.
- (h) Storage. No exterior storage of any kind shall be permitted, except with prior written approval and authorization of the "Association" or its designated Architectural Control Committee. Any such storage as is approved and authorized shall be in areas attractively screened or concealed (subject to all reasonable required approvals as to architectural control) from view from other Parcels and streets. This provision shall apply, without limitation, to trash, garbage and woodpiles; however, woodpiles may remain unscreened and unconcealed provided they are neatly stacked. Further, camping trailers, boat trailers, travel trailers, motor homes, pick-up camper units, automobiles, trucks or other vehicles, regardless of ownership, age, condition, or appearance, the use of which could be construed as being neglected, abandoned, or otherwise not in frequent use, shall not be permitted, unless such vehicles are attractively screened or concealed from view. A vehicle shall be deemed to be used infrequently if such vehicle has been parked, stored or kept in the same location for a period of four (4) months or more.
- (i) Garbage. No garbage or trash shall be placed outside of any building, except in proper containers meeting the specifications, if any, of the "Association" or its designated Architectural Control Committee. All rubbish, trash, and garbage shall be regularly removed from each Parcel and shall not be allowed to accumulate thereon.
- (j) Outside Speakers and Amplifiers. No radio, stereo, broadcast, or loudspeaker units and no amplifiers of any kind shall be placed upon or outside, or be directed to the outside, of any building, which shall disturb the quiet enjoyment of those properties surrounding the Parcel utilizing such equipment.

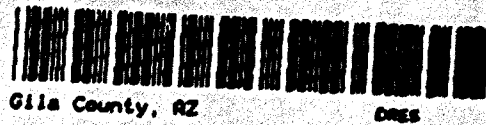


- (k) Outside Lighting. No outside lighting, other than indirect lighting, and reasonable security lighting, shall be placed, allowed, or maintained on any Parcel, unless it is shielded from other Parcels and has been otherwise approved by the "Association" or its designated Architectural Committee.
- (l) Animals. No animals, reptiles or birds of any kind shall be raised, bred, or kept in any building or on any Parcel; provided, however: (1) small, ordinary household pets may be kept so long as they are not, or do not become or appear to be, a nuisance, threat to "Owners"/"Members", or otherwise objectionable to other "Owners"/"Members", (2) two (2) horses may be kept on each Parcel, and the right of an "Owner"/"Member" to keep two (2) horses on his Parcel may be assigned for a period of no more than ten (10) consecutive months to the "Owner"/"Member" of another Parcel, (3) fish kept in small stock ponds or pools may be allowed.
- (m) Diseases and Insects. No "Owner"/"Member" shall permit any thing or condition to exist upon his/her or their Parcel which might induce, breed, or harbor plant diseases or noxious insects.
- (n) Machinery, Fixtures, and Equipment. No machinery, fixtures, or equipment of any type, including without limitation, heating, air conditioning, or refrigeration equipment, antennas, clothes washers and dryers and clotheslines, shall be placed, allowed or maintained outside from any dwelling units, except with prior written approval and authorization of the "Association" or its designated Architectural Control Committee. Any such machinery, fixtures, or equipment shall be attractively screened or concealed from view of other Parcels and streets and in such manner that the screening or concealment appears to be part of the architectural design of the existing structures. Any television antennas or satellite dishes which need to be apart from the main structure or building for best reception, may be established, upon approval of the "Association" or its designated Architectural Committee.
- (o) Utility and Service Lines. No gas, electric, power, telephone, water, sewer, cable television, or other utility or service lines of any nature or kind shall be placed, allowed or maintained upon or above the ground of any Parcel.



except to the extent, if any, that underground placement thereof might be prohibited by law or would prevent the subject line from being functional. The foregoing shall not prohibit service pedestals and above ground lines, switch cabinets and transformers where required by utility companies.

- (p) Signs. No exterior signs or advertisements of any kind may be placed, allowed, or maintained on any Parcel, except that traditional mailboxes, residential or ranch nameplates, and not more than two (2) "for sale" or "for rent" signs not larger than four (4) square feet may be placed and maintained, one (1) on the Parcel and one (1) at the North front entrance to the "Minor Land Divisions" as outlined herein or upon approval of the "Association".
- (q) Repairs. No repairs of any detached machinery, equipment, or fixtures, including without limitation motor vehicles, shall be made as a regular commercial activity upon any portion of any Parcel within view of other Parcels and streets.
- (r) Oil and Mineral Activity. No oil exploration, drilling, development, or refining operation, and no quarrying or mining operations of any kind, including oil wells, surface tanks, tunnels, or mineral excavations or shafts, shall be permitted upon or under any Parcel; and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted on any Parcel.
- (s) Change in Intended Use. No portion of the Property may be developed or redeveloped otherwise than in accordance with its original projected and intended use.
- (t) Misuse and Miss-maintenance. No Parcel shall be maintained or utilized in such a manner as to constitute a nuisance or reasonable annoyance to, or as to endanger the health of, other "Owners"/"Members" or Parcels; and no noxious or otherwise offensive condition or activity shall be allowed to exist or be conducted thereon. The determination as to whether an activity is noxious or offensive shall be reasonable and made in good faith.
- (u) Violation of Statutes, Ordinances, and Regulations. No Parcel shall be maintained or utilized in such manner as to violate any applicable statute,



ordinance, or regulation of the United States of America, the State of Arizona, the County of Gila, or any other governmental agency or Minor Land Divisions having jurisdiction, or in violation of these "C.C.& R'S" or of any covenants, conditions, or restrictions applicable to said Parcel.

- (v) Business. No trade, business, profession, or other commercial activity, and no health or educational activities shall be conducted and be visible from or on any Parcel or portion of the Parcel.
- (w) Leases. No "Owner"/"Member" shall permit his Parcel or Dwelling Unit to be used for transient hotel purposes or shall lease less than the entire Parcel and Dwelling Unit. Any lease or occupancy agreement shall be in writing, shall be for a term of no more than twelve (12) months, and shall expressly provide that its terms are subject, in all respects, to the provisions of these "C.C.&R'S" and that a violation of any such provisions shall be a default under such lease. Refer to Article II, Sections 2 and 3 for other requirements.
- (x) Removal of Trees. No living trees shall be removed from any Parcel or "Common Areas", except for safety or construction reasons, without the prior written consent of the "Association" or its designated Architectural Committee.
- (y) Guests. No "Owner"/"Member" or lessee shall have more than fifty (50) non-family members per acre as overnight guests on his Parcel at any one time; provided, however, that the "Association" may, in its reasonable discretion, approve in advance overnight stay by groups in excess of fifty (50) non-family members per acre. For purposes of this paragraph, non-family members shall include all persons not within three (3) degrees of consanguinity of the "Owner"/"Member" by blood or marriage.
- (z) Perimeter Fencing: No perimeter fencing shall be allowed to impede, alter or redirect the flow of the creek particularly within the perimeters of the 100 year flood. Furthermore no fencing will be allowed to extend beyond 10' of the creek embankment possibly prohibiting the natural flow of the creek and or



floodwaters and or reasonable pedestrian access and enjoyment of the creek by all "Owner"/"Members".

- (aa) Creek Bank Stabilization and Erosion Prevention: Each Parcel Owner must provide acceptable engineered methods to stabilize the creek embankments from further erosion when applying for building permits and or as deemed necessary by the "Association" and or Gila County Engineering, Flood Control and Planning and Zoning. These methods must be esthetically pleasing and insure the natural beauty of the creek and embankments.

Section 2. Exemption for Purpose of Construction, Development, and Sale.

The "Association" or its designated Architectural Control Committee shall have the right, during the period of construction, development, and sale, to grant reasonable and specifically limited and fair exemptions in writing from these restrictions to any developer, builder or contractor, or any "Owner"/"Member"; provided, however, neither the "Association" nor its designated Architectural Control Committee shall permit a guest cottage to be built on a Parcel prior to the completion of a single family residence thereon. Any such exemptions shall be granted only upon specific written request, itemizing the exemption requested, the location thereof, the need therefore, and the anticipated duration thereof; and any authorization request shall be considered for approval and such approval shall not be unreasonably withheld. No such exemption shall be broader in terms of activity, location, or time than is reasonably required and the term of such reasonable request shall in no event exceed twenty-four (24) months in duration unless the factual need requires a longer period of time.

Section 3. Rules and Regulations. The "Association" may consider and approve additional reasonable and necessary rules and regulations regarding the use that applies equally to all the Parcels of the "Minor Land Divisions" and/or the "Owners"/"Members" of the "Association" and/or the "Common Areas" by adoption of rules and regulations pursuant to the same procedure as required for adoption or amendments, changes, deletions, line by line, word by word of any conformation or configuration that accomplishes the same purposes of this "C.C.&R'S", the "Operating Agreement" and its "Summary" and/or the "ARTICLES" of and for the



"Association". All such acts require the strict affirmative vote in person (proxies are not allowed in such cases) of nine (9) of the ten (10) **"Association"** **"Members"** that are the **"Owner(s)"** or an officer of the **"Owner(s)"** of one (1) or more **Parcels** in the **"Minor Land Divisions"** and only after written notice with a detailed notice as required in the **"Operating Agreement"** and its **"Summary"**, the **"ARTICLES"** and all others that apply in any or all documents.

**ARTICLE VIII
UTILITY EASEMENT**

Section 1. Notwithstanding any other provision hereof, there is hereby created a limited and supervised easement upon, across, over, and under the **"Common Areas"** for ingress, egress, installation, replacing, repairing, and maintaining all necessary utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity, television, cable and communication lines, and systems. However, such reasonable and specific easement shall be under the supervision and final approval of the **"Association"** by its officers to maintain the values of all **Parcels** and the **"Common Areas"**. By virtue of such easement, it shall be expressly permissible for the utility or service companies to install and maintain facilities and equipment on the **"Common Areas"** and to affix and maintain wires, circuits, and conduits on, in, and under the roofs and exterior walls of the buildings on the **Parcels** as supervised and approved by each of the **Parcel "Owners"/"Members"**; provided, that no such utility and service lines or system may be installed or relocated on the **"Common Areas"** except as approved by the **"Association"**. This easement shall in no way be conflicting or affect any other recorded easements on any **Parcel** or all **Parcels** and/or **"Common Areas"**.

- (a) As a part of the Utility Easement of these **"C.C.&R'S"**, there is attached a **"WELL EASEMENT AND SHARING AGREEMENT"**, which by reference is made a part hereof, and which governs the use of the two (2) water wells for the use of all **Parcels**.

**ARTICLE IX
GENERAL PROVISIONS**



Section 1. Enforcement. The "Association", or any "Owner"/"Member", by authorization of the "Association" shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed as authorized as required by the provisions of these "C.C.& R'S", the effective "Articles" and current "Operating Agreement" and its "Summary" and all are dated in the months of January 2004 and/or as approved thereafter as required. The prevailing party in any such action shall be entitled to recover his/her/their costs, attorneys' fees, and other expenses. Failure by the "Association" or by any "Owner"/"Member" to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter unless the statutes of limitations have expired and/or as otherwise provided by Law.

Section 2. Pre-existing Conditions. Prior to the date these "C.C.& R'S" is effective, adopted, and recorded for the benefit of the above "Minor Land Divisions", the Parcel "Owners" and/or "Members" of the "Association", any existing structures including fences/historical structures etc. shall remain as pre-existing and acceptable and the "Association" and/or other Parcel "Owners" are forever barred from asserting any claim for noncompliance of all such pre-existing conditions prior to the effective date of September 15th, 2006; and cannot be judged or brought up again.

Section 3. Severability. Invalidation of any one or more of these covenants or restrictions set forth herein and any provision of the "Articles of Organization" and the "Operating Agreement" and its "Summary" by judgment or court order shall in no way affect any other provisions herein and therein, all of which shall remain in full force and effect.

Section 4. Amendments. The Covenants, Conditions and Restrictions of these "C.C.&R'S" shall run with and bind the Parcels, the Parcel "Owners"/"Members", "Common Areas", the "Minor Land Divisions", and the "Association" for a term of twenty (20) years from the date these "C.C.&R'S" is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each. These "C.C.&R'S" may be amended totally or in part and as it relates to all ten (10) of the



Parcels and the "Common Areas" by an instrument approved and signed by not less than the required nine (9) "Owners"/"Members" of the ten (10) Parcels after its initial approval of these "C.C.&R'S". Any amendment must be signed, as required, and recorded within thirty (30) days after such approval.

Section 5. Annexation. Additional residential property and "Common Areas" may be annexed to the Properties with the written consent of a majority of the "Owners"/"Members" of the ten (10) Parcels. However, if such annexation dilutes any of the Parcels and/or the "Owner's"/"Member's" voting capacities to less than one-thirteenth (1/13), then the requirements of Article IX, Section 4. Amendments shall prevail and be required. None of the existing platted Parcels shall be diminished to enlarge any other Parcel and/or the "Common Areas" without the prior approval of the required five (5) of the ten (10) Parcel "Owners"/"Members" in person plus the approval of the impacted Parcel "Owners"/"Members" unless the impacted "Owner" is one (1) of the five (5) required.

Section 6. Counterparts. This Amendment may be executed in counterparts. In such event, all original signatures and notaries shall form an original prior to recording. When recorded, true, correct, and complete, copies shall be forthwith delivered to all Parcel "Owners"/"Members" at a reasonable fee of ten U.S. Dollars (\$10.00) each. Certified copies will be more.

Section 7. Interpretation. The "Association" shall have the exclusive right to construe and interpret these "C.C.&R'S" and, in the absence of any provision herein or adjudication to the contrary by a court of competent jurisdiction or arbitration, the "Association's" interpretation of this amended "C.C.&R'S" dated in the month of September 2006, shall be final, conclusive, and binding upon all persons, except as required herein to the contrary and also except that the "Association" may reconsider its interpretation after any one (1) Parcel "Owner(s)"/"Member(s)" has/have filed a request for reconsideration, within a reasonable time, after any or all such "Association's" decision. Any such Parcel "Owner"/"Member" filing a request for reconsideration shall, at the same time, file a written memorandum of his/her/their position concerning such decision, citing points and authorities and fundamental "Colcord Cove" C.C.&RS

reasons for such position. Within forty (40) days subsequent to the filing of such request for reconsideration, the "Association" shall meet, by prior notice to all Parcel "Owners"/"Members" with the required detailed agenda with the requesting Parcel "Owner"/"Member" present, and as a result of such notice to all Parcel "Owners"/"Members", then they shall discuss the issues presented by the request for reconsideration. Within fifteen (15) days following such meeting, the "Association" shall issue its final determination in writing with clarity and purpose.

IN WITNESS WHEREOF, the undersigned "Declarants" herein, have hereunto set their hands on the dates shown adjacent to their signatures herein below.

Name: "COLCORD COVE Association, LLC"

Officers of the "Association"

By [Signature]
Larkin A. Palmer, Its Manager / Member

By [Signature]
Richard M. (Mark) Spaulding, its Member

Colcord Cove Association, LLC Address:
8238 E. Kramer Circle
Mesa, Arizona 85207

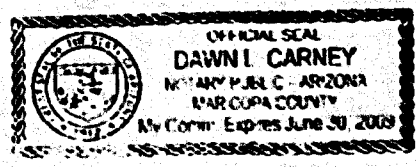
STATE OF ARIZONA)
County of Maricopa) ss.

The foregoing instrument was acknowledged before me this 22nd day of September 2006, by Larkin A. Palmer, who acknowledged and submitted proof to be the Manager and Member of COLCORD COVE ASSOCIATION, LLC, for and on behalf of said "Association".

[Signature]
Notary Public

My Commission Expires: 06/30/09

STATE OF ARIZONA)
County of Maricopa) ss.



The foregoing instrument was acknowledged before me this 22 day of September 2006, by Richard M. (Mark) Spaulding, who acknowledged and submitted proof to be a Member of COLCORD COVE ASSOCIATION, LLC, for and on behalf of said "Association".

[Signature]
Notary Public

Notary Public State of Arizona
Maricopa County
Sabine Frein
Expires May 13, 2008

My Commission Expires: 5/13/08

3216

RESULTS OF SURVEY / MINOR LAND DIVISION

AMENDED

FOR

PALMER PROPERTY

A PORTION OF H.E.S. 467
GILA & SALT RIVER MERIDIAN
GILA COUNTY, ARIZONA

AMENDED SURVEY TO INCLUDE
ACREAGE FOR PARCELS
RECORDED SURVEY MAP 3208, GILA CO. RECORDS

BASIS OF BEARING

GPS RTK OBSERVATIONS, RECORD BEARINGS FOR H.E.S. 467

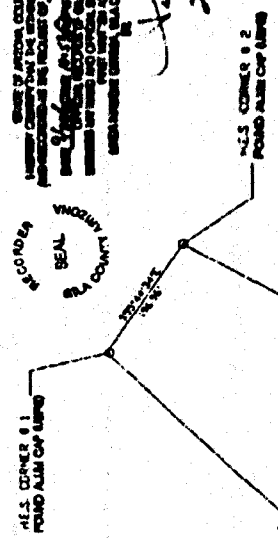
BASIS OF SURVEY

HONESTAD DIRT SURVEY 487
GILA COUNTY ASSESSOR INFORMATION
RESULTS OF SURVEY, MAP 3131, GILA COUNTY RECORDS

APPROVED TO RECORD
DATE 8/18/08
[Signature]

RECORDS
GILA COUNTY

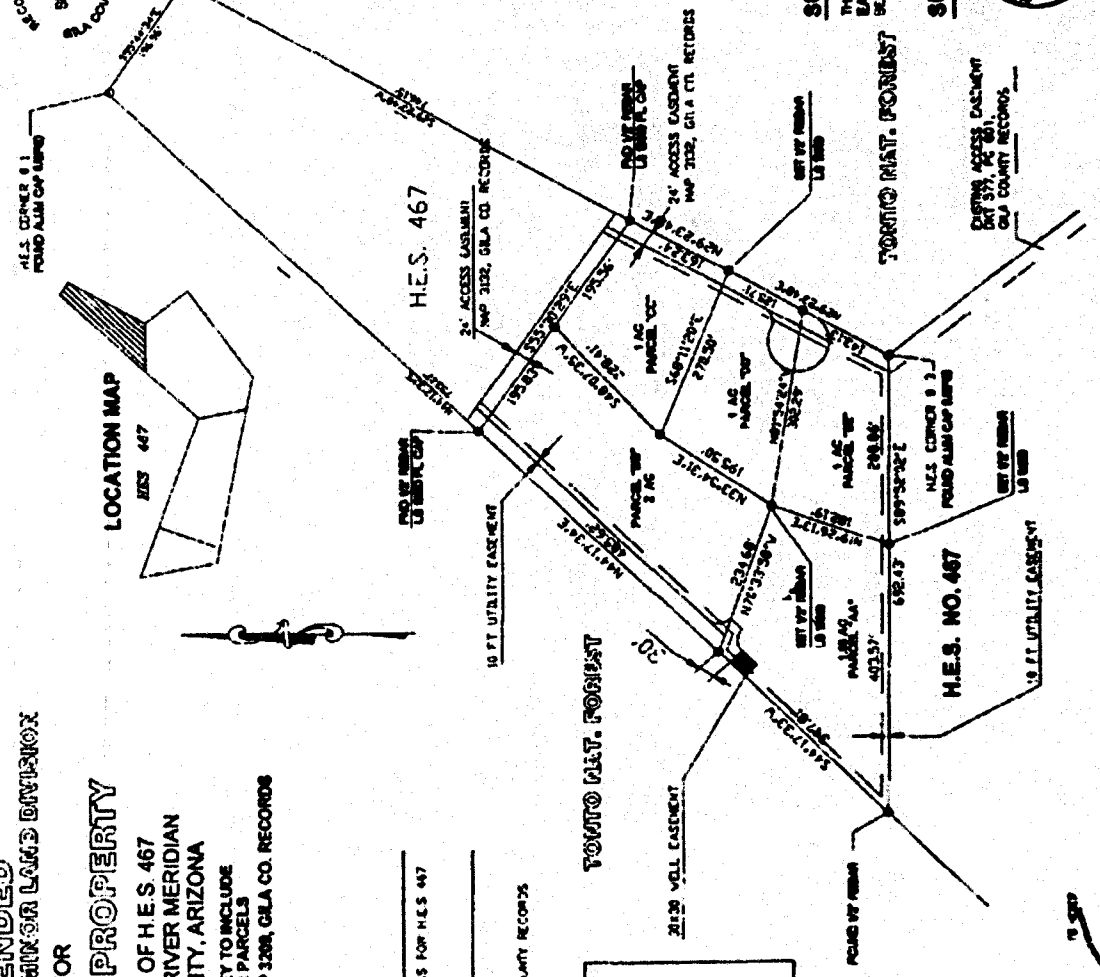
LOCATION MAP
MAP 447



LEGEND

- FOUND BENCH CAP MARK
- FOUND FORMER
- FOUND SET MARK
- FOUND SET BENCHMARK
- FOUND 2" AL. CAP MARK
- SET SET MARK

EX A'



SURVEYOR'S NOTE:

THIS DRAWING DOES NOT REFLECT ANY REVISIONS, EASEMENTS, OR OTHER ENCUMBRANCES WHICH WOULD BE REVEALED BY A CURRENT TITLE REPORT.

SURVEYORS CERTIFICATION

I, NEDDIE BULLOCK CERTIFY THAT THE SURVEY SHOWN HEREON WAS DONE UNDER MY DIRECT SUPERVISION DURING THE MONTH OF OCTOBER, 2008 AND IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF. ALL SURVEY POINTS AND BENCH MARKS HAVE BEEN LOCATED AS SHOWN.



NAME	NEDDIE BULLOCK
NO.	11874
EXPIRES	12-31-11
ISSUED	11-07-08
CLASS	LS
STATUS	ACTIVE
ISSUED BY	DEB PALMER

RESULTS OF SURVEY FOR A PORTION OF H.E.S. 467
T.M. BULLOCK, L.M.E.
GILA & SALT RIVER MERIDIAN
GILA COUNTY, ARIZONA

ABSOLUTE SURVEYING AND MAPPING, INC.
1000 W. WILSON AVENUE
TULSA, OKLAHOMA 74106

89-09-16 PALM COUNTY REVIEW
89-22-08 PALM COUNTY REVIEW
89-10-06 PALM COUNTY REVIEW
89-06-08 PARCELS

ADD ACRESSES LOT NO

3216

3217

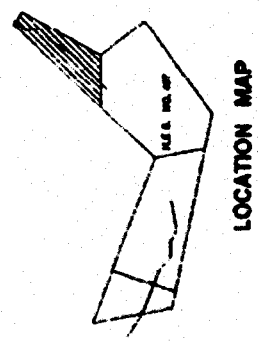
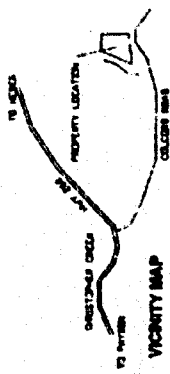
STATE OF ARIZONA, COUNTY OF GILA
HERBERT COUNTY SURVEYOR
AND RECORDS OF THE RECORDS OF GILA COUNTY
DATE: July 26, 2006 H.E.S. NO. 467
RECORDS OF THE RECORDS OF GILA COUNTY
RECORDS OF THE RECORDS OF GILA COUNTY
RECORDS OF THE RECORDS OF GILA COUNTY

July 26, 2006
2006-016150

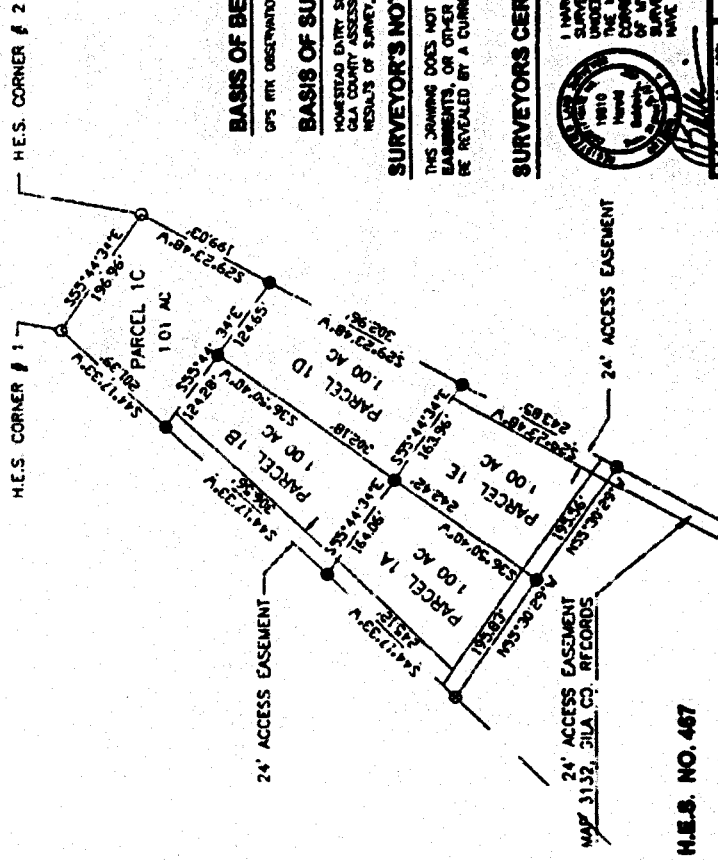
RECORDED
GILA COUNTY
ARIZONA

APPROVED TO RECORD
DATE: 5-18-06
DATE

RESULTS OF SURVEY / MINOR LAND DIVISION
FOR
SPAULDING PROPERTY
A PORTION OF H.E.S. 467
GILA & SALT RIVER MERIDIAN
GILA COUNTY, ARIZONA



LEGEND:
O 100% ALUMINUM CAP (USFS)
● TO NO 1/2" ACBAP
● 1 5/8" REBAR - LS 19810



EX 'B'

BASIS OF BEARING
GPS RTK OBSERVATIONS, RECORD BEARINGS FOR H.E.S. 467

BASIS OF SURVEY
MONUMENTARY SURVEY 467
GILA COUNTY SURVEYOR'S OFFICE
RESULTS OF SURVEY, MAP 3132, G.C.P.

SURVEYOR'S NOTE:
THIS DRAWING DOES NOT REFLECT ANY EIGHT-OR-MORE, EASEMENTS, OR OTHER ENCUMBRANCES WHICH WOULD BE REVEALED BY A CURRENT TITLE REPORT.

SURVEYORS CERTIFICATION



I, MARK SPAULDING, CERTIFY THAT THE SURVEY SHOWN HEREON WAS DONE UNDER MY DIRECT SUPERVISION DURING THE MONTH OF JULY, 2006 AND IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE, AND THAT THE SURVEY MONUMENTS SHOWN HEREON HAVE BEEN LOCATED AS SHOWN.

RESULTS OF SURVEY FOR A PORTION OF H.E.S. 467

DATE	1-1-06
BY	MS-JV
FIELD	MS
FIELD TIME	10-15
DATE	01-13-06
BY	MS-JV
DATE	1-1-06
BY	MS-JV
DATE	1-1-06
BY	MS-JV

1810
Mark Spaulding
GILA & SALT RIVER MERIDIAN
GILA COUNTY, ARIZONA
ABSOLUTE SURVEYING AND MAPPING, INC.
SURVEYING, MAPPING, AND GIS SERVICES
3000 N. GILBERT AVENUE, SUITE 100, MESA, AZ 85203

Gila County, AZ
0625
2006-016150
7 8 12 02 22
07/27/2006 02:28
08 08

3217



Gila County, AZ
 Linda Haught Ortega, Recorder
 11/01/2006
 01:27PM
 Doc Code: DRES

Doc Id: 2006-018823
 Receipt #: 50072
 Rec Fee: 41.00

TERRA QUEST TRUST

WHEN RE-RECORDED, RETURN TO
 COLCORD COVE H.O.A. LLC
 8238 E. Kramer Circle
 Mesa, Arizona 85207
 480-984-7200



Gila County, AZ

UNES

2006-018823
 Page 1 of 24
 11/01/2006 01:27P
 41.00

Ref Fee # 2006-016385

**COVENANTS, CONDITIONS, AND RESTRICTIONS
 FOR
 COLCORD COVE H.O.A., LLC**

AND FOR THE "MINOR LAND DIVISIONS" KNOWN AS "COLCORD COVE"
 Dated the 22nd day of September 2006

THESE COVENANTS, CONDITIONS, AND RESTRICTIONS (herein referred to as the C.C.&R'S) are RE-RECORDED to correct typing errors and name change, and created, established and made effective against and for all of the real property identified as a part of H. E. S Number 467, in Gila County Arizona and further identified as Parcels "AA", "BB", "CC", "DD", and "EE", under Gila County number 303-15-001P and according to the "Minor Land Division" Plat Map # 3216 of Docket # 2006-016149 for Terra Quest Trust, an Arizona Trust (Larkin A. Palmer its Trustee) and also identified as Parcels 1A, 1B, 1C, 1D and 1E, under Gila County number 303-15-001N, and according to the "Minor Land Divisions" Plat Map # 3217 of Docket # 2006-016150 for Richard M. (Mark) Spaulding, and both Plat Maps are dated the 20th day of September 2006, and both "Minor Land Divisions" shall collectively be known as "COLCORD COVE". All of the Parcel "Owners" as signed herein below and as may become "Owners" in the future are subject to and required to follow these "C.C.&R'S" as declared herein or as may be lawfully amended from time to time as required. Any person or Entity that is are or that becomes an "Owners" of one or more of the Parcels as described herein becomes a "Member" and all "Owners"/"Members" are or become "Declarants" and initially those "Owners"/"Members"/"Declarants" as signed herein below have created, established and activated the "C.C.&R'S", for the purposes and considerations set forth herein.

"Colcord Cove" C.C. &RS

Page 1 of 22

See Exhibit "A" & "B"
 Attached hereto.



WITNESSETH:

WHEREAS, each "Declarant" is or may become the "Owner" of one (1) or more Parcels in "COLCORD COVE", according to the Plats as recorded in Gila County, Arizona under Map # 3216, Doc. # 2006-016149 for Terra Quest Trust and Map # 3217, Doc. # 2006-016150 for Richard M. (Mark) Spaulding dated the 20th day of September 2006, in the office of the County Recorder of Gila County, Arizona; each "Owner" signing herein below shall set forth their signatures below or added hereto and subject to these "C.C.&R'S" by the purchase of any Parcel becoming an "Owner", a "Member" and a "Declarant";

WHEREAS, the "Owners"/"Members"/"Declarants" as of the date of this legal document have formed the "COLCORD COVE H.O.A., LLC", and referred to herein as the "H.O.A.", as now declared herein;

WHEREAS "COLCORD COVE H.O.A., LLC", has "Members" pursuant to the Arizona Revised Statutes;

WHEREAS, "Declarants" hereby establish these "C.C.&R'S" by signing their names as printed on the signature pages hereto, or as acknowledged in the future by parties completing the purchase of one or more Parcels..

NOW, THEREFORE, all of the statements in the WHEREAS clauses above are a part hereof as though re-stated herein and the "Declarants" signing herein below declare that these "C.C.&R'S" are effective and in full force and effect as set forth the 21st day of September 2006 by the "Owners"/"Members"/"Declarants" signing herein below. Thus, creating these "C.C.&R'S" for "COLCORD COVE H.O.A., LLC", its "Members", and for the "Minor Land Divisions" "Colcord Cove" under Map # 3216, Doc. # 2006-016149 for Terra Quest Trust; and Map # 3217, Doc. # 2006-016150 for Richard M. (Mark) Spaulding dated the 20th day of September 2006, in the office of the County Recorder of Gila County, Arizona, and shall herein be referred to as "COLCORD COVE". The "Declarants" declare that all of the real property in the "Minor Land Division" known as "COLCORD COVE" shall be held, sold, conveyed, and enjoyed subject to these "C.C.&R'S" which are established for the purpose of



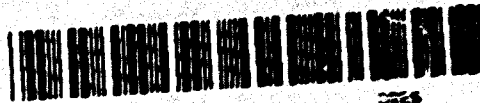
protecting the rights, value, and desirability of all private property of the "Minor Land Divisions" and for each Parcel "Owner"/"Member"/"Declarant" now and in the future. These "C.C.&R'S" shall run with the title to the real property and be binding on all parties having any right, title or interest in any one (1) or more of the described ten (10) Parcels and all associated "Common Areas" as shown on the two (2) recorded Minor Land Division Plats or any part thereof including their heirs, successors, and assigns and all shall inure to the benefit of each and all "Owners"/"Members"/"Declarants" thereof and all of their successors and assigns.

**ARTICLE I
DEFINITIONS**

Section 1. "H.O.A." shall mean and refer to "COLCORD COVE H.O.A., LLC" as created by the "Articles of Organization" of the LLC, and further managed by an "Operating Agreement" and its "Summary" and these "C.C.& R'S", all four (4), as created the first date set forth above on Page One (1), or as may be Re-stated and/or Amended in the future by the required affirmative vote of a majority of the "Owners"/"Members"/"Declarants":

Section 2. "Properties" shall mean and refer to the "Minor Land Division" Plats as referenced above and recorded in the office of the Recorder's Office of Gila County, Arizona or any specific part thereof, as stated herein below, and as may be described in the "Articles of Organization" (herein "Articles"), the "Operating Agreement" and its "Summary" and these "Covenants, Conditions, and Restrictions" (herein "C.C.&R'S"), and such additions thereto as may hereafter be brought within the jurisdiction of the "H.O.A." and only if approved under the requirements of "Article" I of Section 1 herein above.

Section 3 "Common Areas" shall mean the roads, well sites, utility easements, physical access rights and the legal easement access that are portions of the Properties (including the improvements thereto) that are all owned by the "Owners"/ "Members"/"Declarants" collectively and managed by the "H.O.A." for the



Gila County, AZ

common intrinsic, peaceful use, and enjoyment of the "Owners"/
"Members"/"Declarants", their families, invited guests, lessees, heirs, assigns, etc.

Section 4. "Parcel" shall mean and refer to those ten (10) Real Estate Parcels as shown upon the recorded Plats of the "Minor Land Divisions" referenced above and in Gila County, Arizona with each Parcel "Owner's" right, title, and interest in and to the "Common Areas", i.e. tracts, roads, ingress and egress, water wells and pump houses, and equipment etc., that are also a part of the "Minor Land Divisions", known as "Colcord Cove".

Section 5. "Owner"/"Member"/"Declarant" shall mean and refer to the record owner, or all future Owners, whether one (1) or more persons or one (1) or more officers of an entity(ies), of a fee simple or an encumbered title to any one (1) or more Parcels which are a part of the "Minor Land Divisions" as described herein, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. However, if that or those holding a security interest completes a valid foreclosure or forfeiture, that or those Holders of a security interest then becomes a new "Owner" and that new "Owner" is automatically, by title (deed), a "Member" of the "H.O.A." with all right, title, interest, and power to attend all meetings. However when a foreclosure is complete, that new Owner" is a "Member" and then subject to all of the requirements set forth herein. It is the responsibility of all new "Owners"/"Members"/"Declarants", by purchase or foreclosure, to notify the "H.O.A." via the "President", one (1) or more Vice Presidents, the Secretary/Treasurer, and all of the other Parcel "Owners" so that all know of the new Parcel "Owner"/"Member"/"Declarant" with voting rights.

Section 6. "Owners"/"Members"/"Declarants" shall mean and refer to at this time as all of the ten (10) Parcel "Owners"/"Members", and any of their successors and assigns.

Section 7. "C.C.&R'S" shall mean and refer to these "Covenants, Conditions, and Restrictions" applicable to the "Colcord Cove H.O.A., LLC" as filed with the Arizona Corporation Commission, and the two(2) "Minor Land Divisions" as



Gila County, AZ

ORES

recorded and known as "Colcord Cove" are under the jurisdiction of these "C.C.& R'S" and dated the 21st day of September 2006, and recorded the 22 day of September 2006, under Gila County recording numbers 2006-016384, in the Office of the County Recorder of Gila County, Arizona, as also may be re-stated and/or amended from time to time under the requirements of this **Article I, Section 1.** and the "Operating Agreement", its "Summary" and these "C.C.&R'S".

Section 8. Voting "Owner(s)"/"Member(s)"/"Declarant(s)" shall mean and refer to those ten (10) "Member(s)" all of which are entitled to vote at all meetings and as an "Owner" of one (1) or more of the ten (10) "Parcels" of the "Minor Land Divisions". Each Parcel "Owner" is a "Member" of the "H.O.A." and a "Declarant" to this "C.C.& R'S" document and each "Owner" may vote as a "Member" or as an alternate as provided. All documents listed in this Article I. are all intended to be in harmony, one with all others.

ARTICLE II

PROPERTY RIGHTS AND DELEGATION OF USE

Section 1. Easements of Peaceful use and Enjoyment. Every "Owner"/"Member"/"Declarant" shall have the right to vote at all meetings duly called and noticed and the right and easement of peaceful enjoyment in and to the "Common Areas" and all of which shall be appurtenant to and shall automatically pass with the (Deed) title to each and every subsequent Owner and regards all Parcels, subject to the following provisions:

- (a) The right of the "H.O.A." to limit, within reason and fairness to all, the number of guests of an "Owner"/"Member"/"Declarant" or lessee and for all Parcels and the "Common Areas"; and
- (b) Physical and legal Ingress and egress are provided to all Parcel "Owners"/"Members"/"Declarants", however: the right of the "H.O.A." to reasonably regulate the speed of travel, and/or to prevent the abuse of the private roadways and to the "Common Areas" and all shall be subject to the required irrevocable ingress and irrevocable egress of and for the individual "Owners"/"Members"/"Declarants", and



Section 2. Delegation of Use. Any "Owner"/"Member"/"Declarant" may delegate his/her/their rights of peaceful enjoyment to their Parcel and use of the "Common Areas" and facilities to the members of his/her/their family, his/her/their lessee(s) or friends and invited guests as more detailed in Article VII, or contract purchasers under contract who reside thereon from time to time and have legal occupancy of and to the property.

Section 3. Exterior Maintenance. The occupants, whether "Owner", guests or lessees, shall keep the exterior of all buildings and the Parcel premises clean, neat, and free from debris and other unsightly conditions. In the event that a lessee fails to keep and/or maintain the exterior of any building and/or the Parcel premises as required, the "H.O.A." can, after a reasonable thirty (30) day notice, terminate and/or void any lease for failure of a tenant/lessee to comply as reasonably required. All lease agreements shall include these requirements and all tenants/lessees shall acknowledge, in writing, their understanding that all of the "Covenants, Conditions and Restrictions" of these "C.C.&R'S" are also a lessee's responsibility and liability. Such failure to comply with the required maintenance and upkeep of the exterior of the building(s) and/or the Parcel premises under lease, shall not relieve the Parcel "Owner(s)"/"Member(s)"/"Declarant(s)" that is/are the lessor of any such lease of a Parcel and the buildings thereon in the "Minor Land Divisions".

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Parcel "Owner" is a "Member" of the "H.O.A." and all "Members" must be a Parcel "Owner" or their alternate and all of the ten (10) Parcels are subject to reasonable, fully authorized "H.O.A." assessments; to be used as directed by the "H.O.A.". Voting Membership in the "H.O.A." shall be appurtenant to and may not be separated from ownership of any Parcel of the "Minor Land Divisions" together with their appurtenant right to the "Common Areas". All Parcels are equally subject to all reasonable and approved assessments and use as set forth



and reasonably approved by the "H.O.A.". The initial annual assessment due October 1st from each parcel is, One Thousand Dollars (\$1000.00).

Section 2. The "H.O.A." shall have one (1) class of voting membership, which shall consist of ten (10) "Owners"/"Members"/"Declarants". Each "Owner"/"Member"/"Declarant" shall be entitled to one (1) vote for each Parcel owned. When more than one (1) person holds a fee simple interest or an encumbered interest in any Parcel, all such persons shall be an "Owner"/"Member"/"Declarant". However, the vote for such Parcel shall be exercised as that "Owner"/"Member"/"Declarant" determines, but in no event shall more than one (1) vote be cast with respect to any one (1) of the ten (10) Parcels. All votes will be cast by a representative from each of the ten (10) "Owners"/"Members"/"Declarants" or their selected legal alternates unless otherwise restricted herein.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of a Continuing Lien and Obligation against each "Owner's"/"Member's" Parcel by the acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay all necessary authorized "assessments" levied by the "H.O.A.": (1) reasonable, fair, and equitable annual assessments or charges, such as set forth in the "Summary", requires a vote of six (6) of ten (10) of the "Owners"/"Members"; and (2) special assessments for capital improvements, major repairs or replacement of all required items as approved by the "H.O.A." must be by a vote of six (6) of the ten (10) "Owners"/"Members" of one (1) or more Parcels. All such assessments shall be established and collected as hereinafter provided; and (3) special assessments for incidental or consequential damage to the "H.O.A." that is caused by one (1) or more "Owner's"/"Member's" or their guests, family members, friends, lessees, etc., and by their failure and/or refusal to comply with any provision of these "C.C.&R'S"; and (4) any other payments to the "H.O.A." required hereunder by all such authorized assessments must be authorized, established, and collected as hereinafter provided.



- (a) The annual and special assessments, together with interest, costs, and reasonable fees, if necessary, shall be an authorized charge equally against all ten (10) Parcels and shall be a continuing lien upon all Parcels against which all such assessments are created and approved as required herein; and
- (b) Each such assessment shall be the same amount for each Parcel together with interest, costs, and reasonable fees that shall also be the obligation of the "Owner(s)"/"Member(s)" of record who was the "Owner"/"Member" of such Parcel at the time when the assessment was approved, fell due, and such "Owner"/"Member" shall not be relieved from any "H.O.A." approved assessment obligation upon sale of the property.
- (c) The annual assessment against each parcel is: \$750.00 (Seven Hundred Fifty dollars) due on or before October 31, 2006 or within 60 days of title transfer for each parcel.

Section 2. Purpose of Assessments. The assessments as authorized and levied by the "H.O.A." shall be used to promote the recreation, health, safety, and welfare of and for all residents, Parcel "Owners"/"Members" of the "Minor Land Divisions", and for the improvements, maintenance, and repair of the "Common Areas" as caused by acts of God and normal wear and tear. The assessments shall also be used to establish, improve, and maintain a water system for the Parcel "Owners"/"Members" that shall include two (2) wells, two (2) or more pumps, two (2) or more pressure tanks and back up pressure tanks, two (2) or more 2,500-gallon storage tanks, booster pumps, electric service panels and all necessary related equipment and primary water lines, together with two (2) pump houses large enough to house the pressure tank, fire equipment, and other necessary equipment.

Section 3. Annual Assessments. The "H.O.A." may fix annual assessments for the "Summary" items in such reasonable amounts as the "H.O.A." deems necessary to meet the reasonable needs of the "H.O.A." by a vote as set forth in **Section 6** herein below.



Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the "H.O.A." may levy, in any assessment year, special assessments applicable to that year, only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the "Common Areas", including fixtures, equipment, and other property-related thereto, provided that any such capital improvement assessment shall have the affirmative vote of a majority of seven (7) of the ten (10) Parcel "Owners"/"Members" of the "Minor Land Divisions" "H.O.A." who shall be Voting "Members" or alternates in person.

Section 5. Special Assessment for Attorneys' Fees. In addition to the annual assessments authorized above, the "H.O.A." may levy, in any assessment year, a special assessment applicable to that year, only for the purpose of defraying, in whole or in part, the cost of any valid attorneys' fees incurred by the "H.O.A.", provided that any such assessment shall have the vote of a majority, six (6) of ten (10), of the "Owners"/"Members" of the "H.O.A." who are voting in person at a meeting duly called for the specific purpose as stated and required in the notice with a detailed agenda. However, attorney fees shall not be used by the "H.O.A." and/or any of the "Owners"/"Members" for or by one (1) or more Parcel "Owners"/"Members" against one (1) or more Parcel "Owners"/"Members" for personal disputes, grudges, gratification or other personal matters.

Section 6. Notice and Quorum for Any Action Authorized Under All Sections. Written notice of any and all meeting called must be with a written detailed agenda as required and for the purpose of taking any action authorized under all Sections and said notice and agenda shall be sent to all "Owners"/"Members" at least thirty (30) days but not more than fifty (50) days in advance of any meeting. At all such meetings called, there shall be an agenda of detailed items and for general business, and six (6) of the ten (10) votes are required, in person or by absentee Ballots to cast votes for or against items. Absentee votes can add to others to constitute a quorum. If the required quorum is not present, another meeting may be called subject to an



additional notice requirement and together with the required **written detailed agenda**.
Secret clustered meetings are not allowed.

Section 7. However, if any such meeting notice and agenda is for the purpose of changing, amending, deleting from, or in any other way altering the "Articles of Organization", the "Operating Agreement" and its "Summary" and/or these "C.C.& R'S" or any such action that results in any of the same, then a vote of seven (7) of the ten (10) Parcel "Owners"/"Members" and in person ONLY, is required to make such change(s) etc.

Section 8. Rate of Assessment. The amounts of both annual and special assessments amounts hereafter shall be set by the "H.O.A." at a meeting duly called, noticed, and with a **written detailed agenda** and will be due and owing at such times as reasonably designated by the "H.O.A.", but not less than thirty (30) days after such assessment authorization notice is delivered to all Parcel "Owners"/"Members" at the same time and mailed from the same place by the **President/Secretary/Treasurer** or any two other "Owners"/"Members" or as otherwise authorized herein.

Section 9. Previous Assessments. All such previous assessments as authorized by contract or the "H.O.A." and remaining unpaid as of the date of any contract or written above on Page One (1) in September 2006 or later shall be paid by all such "Owners"/"Members" of the "H.O.A." according to any contract. Further, the "H.O.A." shall have the collection remedies specified in said contracts and in these "C.C.&R'S" to enforce such unpaid assessments. The assessments previously levied by contract and remaining unpaid shall continue to be in full force and effect and as restated by these "C.C.&R'S".

Section 10. New Assessments and Certificates. Written notice of any assessment shall be sent to every "Owner"/"Member" by US Mail and subject thereto. The "H.O.A." shall establish the due dates, but not less than thirty (30) days after written receipt of such valid notice. The "H.O.A." shall, upon demand, and for a reasonable charge of ten U.S. Dollars (\$10.00), furnish a certificate signed by an officer of the "H.O.A." setting forth whether that Parcel "Owner(s)"/"Member(s)"



assessments on a specified Parcel have been paid or not. If not, the amount due shall be stated in said certificate. A properly executed certificate of the "H.O.A." as to the status of assessments on a Parcel is binding upon the "H.O.A." as of the date of its issuance and thereafter signed by an authorized officer of the "H.O.A."

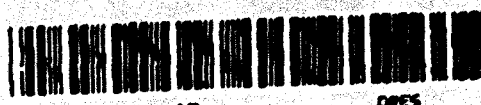
Section 11. Effect of Nonpayment of Assessments: Remedies of the "H.O.A." Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the prime rate quoted by the daily market index, or its successor index, as such rate may change from time to time, plus two percent (2%) per annum. After at least a sixty (60) day default notice by the "H.O.A.", the "H.O.A." may bring an action against the title "Owner"/"Member" obligated to pay the delinquent assessment and/or foreclose any lien created by any unpaid assessments against the property. No "Owner"/"Member" may waive or otherwise avoid liability for the assessments provided for herein by non-use of the "Common Areas" or abandonment of his/her or their Parcel.

Section 12. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Parcel shall not affect the assessment lien. However, the sale or transfer of any Parcel pursuant to foreclosure on a first mortgage or any proceeding in lieu thereof, shall not extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No such foreclosure, sale or transfer shall not relieve such Parcel "Owner"/"Member" from liability for any assessments becoming due after the date thereof.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. Subject to Article IX, Section 2, no building, fence, wall, or other structure shall be commenced, erected or maintained upon the Parcels nor shall any exterior addition to or change or alteration thereon be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external



design and location in relation to surrounding structures and topography by the "H.O.A.", as may be considered and approved by the reasonable acts of an Architectural Control Committee composed of three (3) or more representatives appointed by the "H.O.A.". The initial Architectural Control Committee shall be Larkin Palmer, Mark Spaulding and Brooks Allen. All of the "Owners"/"Members" of any and all committees of the "H.O.A." shall be a Parcel "Owner" and an "H.O.A." "Member". In the event said "H.O.A.", or its designated Architectural Control Committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been received by the "H.O.A." or the Architectural Control Committee, approval shall not be required, and this Article shall be deemed to have been fully complied and completed.

**ARTICLE VI
NOTICE OF SALE**

Section 1. Within thirty (30) days after the sale of a Parcel, the previous "Owner" and the NEW "Owner"/"Member" shall notify the "H.O.A." in writing of the date of the sale and the buyer's name, mailing address and that "Owners" selection of the "Member" and the alternate authorized to vote as required in any or all "H.O.A." "Articles", "Operating Agreement" and its "Summary" and these "C.C.& R'S" all dated in the month of September 2006 and after.

**ARTICLE VII
USE AND OCCUPANCY RESTRICTIONS**

Section 1. Parcels. All Parcels shall be used exclusively for single-family residential purposes and shall contain a minimum of 2500 square feet of interior floor space, excluding porches, garages, carports, and patios.

- (a) One guest cottage may be constructed on each Parcel, but only after completion of a single-family residence thereon.
- (b) Original Parcels shall not be divided into parcels of less than one acre, except for public utilities or other required easements.
- (c) The building set backs shall be as follows:



- a. 20 feet from the front of any public or private road.
 - b. 20 feet from the side of any public or private road.
 - c. 20 feet from the rear of any public or private road.
 - d. The same set backs apply to parcels that do not have any public or private road easements.
- (d) New and Permanent Construction. All improvements shall be of new and permanent construction, and no improvements shall be moved onto, from, and within any Parcel, except acceptable storage facilities or sheds, as defined by Subparagraph (f) below; provided, however, that temporary structures may be placed and maintained on a Parcel for a period not exceeding eighteen (18) months in connection with the construction of improvements thereon, if previously approved and authorized in writing by the "H.O.A." or its designated Architectural Control Committee. Any such temporary structure shall be promptly removed upon completion of the construction to which it relates.
- (e) Diligent Pursuant of Construction, Maintenance, and Repairs. All construction, maintenance, and repair work shall be diligently pursued from commencement until completion. All buildings shall be completed within eighteen (18) months after the commencement of construction. The time limits set forth in this paragraph may be extended by any period during which construction is not able to proceed due to Acts of God, weather conditions, labor disturbances, actual inability to procure necessary materials, or other causes beyond the reasonable control of the "Owner"/"Member".
- (f) Motor Vehicles. Recreational vehicles (i.e.) motorcycles, dune buggies, ATV's, etc.) shall operate only for reasonable recreational or legitimate transportation purposes, and shall operate only on "Common Areas" roads, at speeds of fifteen miles per hour or less and on or within the relevant "Owner(s)"/"Member(s)" Parcel. All such vehicles should be properly baffled or muffled. Riding shall not be repetitive in one location, and shall not be done in front of other Landowner's property so as to cause noise, dust or other similar nuisances.



- (g) Maintenance and Repair of Improvements. No improvement shall be permitted to fall into disrepair. "Owners"/"Members" shall maintain in good repair all exterior surfaces, including but not limited to walls, porches, patios, and appurtenances.
- (h) Storage. No exterior storage of any kind shall be permitted, except with prior written approval and authorization of the "H.O.A." or its designated Architectural Control Committee. Any such storage as is approved and authorized shall be in areas attractively screened or concealed (subject to all reasonable required approvals as to architectural control) from view from other Parcels and streets. This provision shall apply, without limitation, to trash, garbage and woodpiles; however, woodpiles may remain unscreened and unconcealed provided they are neatly stacked. Further, camping trailers, boat trailers, travel trailers, motor homes, pick-up camper units, automobiles, trucks or other vehicles, regardless of ownership, age, condition, or appearance, the use of which could be construed as being neglected, abandoned, or otherwise not in frequent use, shall not be permitted, unless such vehicles are attractively screened or concealed from view. A vehicle shall be deemed to be used infrequently if such vehicle has been parked, stored or kept in the same location for a period of four (4) months or more.
- (i) Garbage. No garbage or trash shall be placed outside of any building, except in proper containers meeting the specifications, if any, of the "H.O.A." or its designated Architectural Control Committee. All rubbish, trash, and garbage shall be regularly removed from each Parcel and shall not be allowed to accumulate thereon.
- (j) Outside Speakers and Amplifiers. No radio, stereo, broadcast, or loudspeaker units and no amplifiers of any kind shall be placed upon or outside, or be directed to the outside, of any building, which shall disturb the quiet enjoyment of those properties surrounding the Parcel utilizing such equipment.
- (k) Outside Lighting. No outside lighting, other than indirect lighting, and reasonable security lighting, shall be placed, allowed, or maintained on any



Parcel, unless it is shielded from other Parcels and has been otherwise approved by the "H.O.A." or its designated Architectural Committee.

- (l) Animals. No animals, reptiles or birds of any kind shall be raised, bred, or kept in any building or on any Parcel; provided, however: (1) small, ordinary household pets may be kept so long as they are not, or do not become or appear to be, a nuisance, threat to "Owners"/"Members", or otherwise objectionable to other "Owners"/"Members". (2) two (2) horses may be kept on each Parcel, and the right of an "Owner"/"Member" to keep two (2) horses on his Parcel may be assigned for a period of no more than ten (10) consecutive months to the "Owner"/"Member" of another Parcel, (3) fish kept in small stock ponds or pools may be allowed.
- (m) Diseases and Insects. No "Owner"/"Member" shall permit any thing or condition to exist upon his/her or their Parcel which might induce, breed, or harbor plant diseases or noxious insects.
- (n) Machinery, Fixtures, and Equipment. No machinery, fixtures, or equipment of any type, including without limitation, heating, air conditioning, or refrigeration equipment, antennas, clothes washers and dryers and clotheslines, shall be placed, allowed or maintained outside from any dwelling units, except with prior written approval and authorization of the "H.O.A." or its designated Architectural Control Committee. Any such machinery, fixtures, or equipment shall be attractively screened or concealed from view of other Parcels and streets and in such manner that the screening or concealment appears to be part of the architectural design of the existing structures. Any television antennas or satellite dishes which need to be apart from the main structure or building for best reception, may be established, upon approval of the "H.O.A." or its designated Architectural Committee.
- (o) Utility and Service Lines. No gas, electric, power, telephone, water, sewer, cable television, or other utility or service lines of any nature or kind shall be placed, allowed or maintained upon or above the ground of any Parcel, except to the extent, if any, that underground placement thereof might be prohibited by law or would prevent the subject line from being functional. The



foregoing shall not prohibit service pedestals and above ground lines, switch cabinets and transformers where required by utility companies.

- (p) Signs. No exterior signs or advertisements of any kind may be placed, allowed, or maintained on any Parcel, except that traditional mailboxes, residential or ranch nameplates, and not more than two (2) "for sale" or "for rent" signs not larger than four (4) square feet may be placed and maintained, one (1) on the Parcel and one (1) at the North front entrance to the "Minor Land Divisions" as outlined herein or upon approval of the "H.O.A."
- (q) Repairs. No repairs of any detached machinery, equipment, or fixtures, including without limitation motor vehicles, shall be made as a regular commercial activity upon any portion of any Parcel within view of other Parcels and streets.
- (r) Oil and Mineral Activity. No oil exploration, drilling, development, or refining operation, and no quarrying or mining operations of any kind, including oil wells, surface tanks, tunnels, or mineral excavations or shafts, shall be permitted upon or under any Parcel; and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted on any Parcel.
- (s) Change in Intended Use. No portion of the Property may be developed or redeveloped otherwise than in accordance with its original projected and intended use.
- (t) Misuse and Miss-maintenance. No Parcel shall be maintained or utilized in such a manner as to constitute a nuisance or reasonable annoyance to, or as to endanger the health of, other "Owners"/"Members" or Parcels; and no noxious or otherwise offensive condition or activity shall be allowed to exist or be conducted thereon. The determination as to whether an activity is noxious or offensive shall be reasonable and made in good faith.
- (u) Violation of Statutes, Ordinances, and Regulations. No Parcel shall be maintained or utilized in such manner as to violate any applicable statute, ordinance, or regulation of the United States of America, the State of Arizona, the County of Gila, or any other governmental agency or Minor Land Divisions



having jurisdiction, or in violation of these "C.C.& R'S" or of any covenants, conditions, or restrictions applicable to said Parcel.

- (v) Business. No trade, business, profession, or other commercial activity, and no health or educational activities shall be conducted and be visible from or on any Parcel or portion of the Parcel.
- (w) Leases. No "Owner"/"Member" shall permit his Parcel or Dwelling Unit to be used for transient hotel purposes or shall lease less than the entire Parcel and Dwelling Unit. Any lease or occupancy agreement shall be in writing, shall be for a term of no more than twelve (12) months, and shall expressly provide that its terms are subject, in all respects, to the provisions of these "C.C.&R'S" and that a violation of any such provisions shall be a default under such lease. Refer to Article II, Sections 2 and 3 for other requirements.
- (x) Removal of Trees. No living trees shall be removed from any Parcel or "Common Areas", except for safety or construction reasons, without the prior written consent of the "H.O.A." or its designated Architectural Committee.
- (y) Guests. No "Owner"/"Member" or lessee shall have more than fifty (50) non-family members per acre as overnight guests on his Parcel at any one time; provided, however, that the "H.O.A." may, in its reasonable discretion, approve in advance overnight stay by groups in excess of fifty (50) non-family members per acre. For purposes of this paragraph, non-family members shall include all persons not within three (3) degrees of consanguinity of the "Owner"/"Member" by blood or marriage.
- (z) Perimeter Fencing: No perimeter fencing shall encroach into the 100 year flood area and or within 10' of the creek embankment thereby prohibiting the natural flow of the creek and or floodwaters and or reasonable pedestrian access and enjoyment of the creek by all "Owner"/"Members".
- (aa) Creek Bank Stabilization and Erosion Prevention: Each Parcel Owner must provide acceptable engineered methods to stabilize the creek embankments from further erosion when applying for building permits and or as deemed



necessary by the "H.O.A." and or Gila County Engineering, Flood Control and Planning and Zoning. These methods must be esthetically pleasing and insure the natural beauty of the creek and embankments.

Section 2. Exemption for Purpose of Construction, Development, and Sale.

The "H.O.A." or its designated Architectural Control Committee shall have the right, during the period of construction, development, and sale, to grant reasonable and specifically limited and fair exemptions in writing from these restrictions to any developer, builder or contractor, or any "Owner"/"Member"; provided, however, neither the "H.O.A." nor its designated Architectural Control Committee shall permit a guest cottage to be built on a Parcel prior to the completion of a single family residence thereon. Any such exemptions shall be granted only upon specific written request, itemizing the exemption requested, the location thereof, the need therefore, and the anticipated duration thereof, and any authorization request shall be considered for approval and such approval shall not be unreasonably withheld. No such exemption shall be broader in terms of activity, location, or time than is reasonably required and the term of such reasonable request shall in no event exceed twenty-four (24) months in duration unless the factual need requires a longer period of time.

Section 3. Rules and Regulations. The "H.O.A." may consider and approve

additional reasonable and necessary rules and regulations regarding the use that applies equally to all the Parcels of the "Minor Land Divisions" and/or the "Owners"/"Members" of the "H.O.A." and/or the "Common Areas" by adoption of rules and regulations pursuant to the same procedure as required for adoption or amendments, changes, deletions, line by line, word by word of any conformation or configuration that accomplishes the same purposes of this "C.C.&R'S", the "Operating Agreement" and its "Summary" and/or the "ARTICLES" of and for the "H.O.A." All such acts require the strict affirmative vote in person (proxies are not allowed in such cases) of nine (9) of the ten (10) "H.O.A." "Members" that are the "Owner(s)" or an officer of the "Owner(s)" of one (1) or more Parcels in the "Minor Land Divisions" and only after written notice with a detailed notice as required in the "Operating



Agreement" and its "Summary", the "ARTICLES" and all others that apply in any or all documents.

**ARTICLE VIII
UTILITY EASEMENT**

Section 1. Notwithstanding any other provision hereof, there is hereby created a limited and supervised easement upon, across, over, and under the "Common Areas" for ingress, egress, installation, replacing, repairing, and maintaining all necessary utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity, television, cable and communication lines, and systems. However, such reasonable and specific easement shall be under the supervision and final approval of the "H.O.A." by its officers to maintain the values of all Parcels and the "Common Areas". By virtue of such easement, it shall be expressly permissible for the utility or service companies to install and maintain facilities and equipment on the "Common Areas" and to affix and maintain wires, circuits, and conduits on, in, and under the roofs and exterior walls of the buildings on the Parcels as supervised and approved by each of the Parcel "Owners"/"Members": provided, that no such utility and service lines or system may be installed or relocated on the "Common Areas" except as approved by the "H.O.A.". This easement shall in no way be conflicting or affect any other recorded easements on any Parcel or all Parcels and/or "Common Areas".

- (a) As a part of the Utility Easement of these "C.C.&R'S", there is attached a "WELL EASEMENT AND SHARING AGREEMENT", which by reference is made a part hereof, and which governs the use of the two (2) water wells for the use of all Parcels.

**ARTICLE IX
GENERAL PROVISIONS**

Section 1. Enforcement. The "H.O.A.", or any "Owner"/"Member", by authorization of the "H.O.A." shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now



or hereafter imposed as authorized as required by the provisions of these "C.C.& R'S", the effective "Articles" and current "Operating Agreement" and its "Summary" and all are dated in the months of January 2004 and/or as approved thereafter as required. The prevailing party in any such action shall be entitled to recover his/her/their costs, attorneys' fees, and other expenses. Failure by the "H.O.A." or by any "Owner"/"Member" to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter unless the statutes of limitations have expired and/or as otherwise provided by Law.

Section 2. Pre-existing Conditions. Prior to the date these "C.C.& R'S" is effective, adopted, and recorded for the benefit of the above "Minor Land Divisions", the Parcel "Owners" and/or "Members" of the "H.O.A.", any existing structures including fences/historical structures etc. shall remain as pre-existing and acceptable and the "H.O.A." and/or other Parcel "Owners" are forever barred from asserting any claim for noncompliance of all such pre-existing conditions prior to the effective date of September 15th, 2006 and cannot be judged or brought up again.

Section 3. Severability. Invalidation of any one or more of these covenants or restrictions set forth herein and any provision of the "Articles of Organization" and the "Operating Agreement" and its "Summary" by judgment or court order shall in no way affect any other provisions herein and therein, all of which shall remain in full force and effect.

Section 4. Amendments. The Covenants, Conditions and Restrictions of these "C.C.&R'S" shall run with and bind the Parcels, the Parcel "Owners"/"Members", "Common Areas", the "Minor Land Divisions", and the "H.O.A." for a term of twenty (20) years from the date these "C.C.&R'S" is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each. These "C.C.&R'S" may be amended totally or in part and as it relates to all ten (10) of the Parcels and the "Common Areas" by an instrument approved and signed by not less than the required nine (9) "Owners"/"Members" of the ten (10) Parcels after its initial approval of these "C.C.&R'S". Any amendment must be signed, as required, and recorded within thirty (30) days after such approval.



Section 5. Annexation. Additional residential property and "Common Areas" may be annexed to the Properties with the written consent of a majority of the "Owners"/"Members" of the ten (10) Parcels. However, if such annexation dilutes any of the Parcels and/or the "Owner's"/"Member's" voting capacities to less than one-thirteenth (1/13), then the requirements of Article IX, Section 4. **Amendments** shall prevail and be required. None of the existing platted Parcels shall be diminished to enlarge any other Parcel and/or the "Common Areas" without the prior approval of the required five (5) of the ten (10) Parcel "Owners"/"Members" in person plus the approval of the impacted Parcel "Owners"/"Members" unless the impacted "Owner" is one (1) of the five (5) required.

Section 6. Counterparts This Amendment may be executed in counterparts. In such event, all original signatures and notaries shall form an original prior to recording. When recorded, true, correct, and complete, copies shall be forthwith delivered to all Parcel "Owners"/"Members" at a reasonable fee of ten U.S. Dollars (\$10.00) each. Certified copies will be more.

Section 7. Interpretation. The "H.O.A." shall have the exclusive right to construe and interpret these "C.C.&R'S" and, in the absence of any provision herein or adjudication to the contrary by a court of competent jurisdiction or arbitration, the "H.O.A.'s" interpretation of this amended "C.C.&R'S" dated in the month of September 2006, shall be final, conclusive, and binding upon all persons, except as required herein to the contrary and also except that the "H.O.A." may reconsider its interpretation after any one (1) Parcel "Owner(s)"/"Member(s)" has/have filed a request for reconsideration, within a reasonable time, after any or all such "H.O.A.'s" decision. Any such Parcel "Owner"/"Member" filing a request for reconsideration shall, at the same time, file a written memorandum of his/her/their position concerning such decision, citing points and authorities and fundamental reasons for such position. Within forty (40) days subsequent to the filing of such request for reconsideration, the "H.O.A." shall meet, by prior notice to all Parcel "Owners"/"Members" with the required detailed agenda with the requesting Parcel "Owner"/"Member" present, and as a result of such notice to all Parcel "Owners"/"Members", then they shall discuss

"Colcord Cove" C.C &RS



the issues presented by the request for reconsideration. Within fifteen (15) days following such meeting, the "H.O.A." shall issue its final determination in writing with clarity and purpose.

IN WITNESS WHEREOF, the undersigned "Declarants" herein, have hereunto set their hands on the dates shown adjacent to their signatures herein below.

Name: "COLCORD COVE H.O.A., LLC"

Officers of the "H.O.A."

By

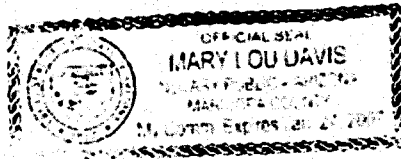
Larkin A. Palmer, Its Manager / Member

By

Richard M. (Mark) Spaulding, its Member

Colcord Cove H.O.A., LLC Address:
8238 E. Kramer Circle
Mesa, Arizona 85207

STATE OF ARIZONA)
) ss.
County of Maricopa)



The foregoing instrument was acknowledged before me this 21 day of September ^{October} 2006, by Larkin A. Palmer, who acknowledged and submitted proof to be the Manager and Member of COLCORD COVE H.O.A., LLC, for and on behalf of said "H.O.A.".

Mary Lou Davis
Notary Public

My Commission Expires: Jan 27 2007

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 31 day of September ^{October} 2006, by Richard M. (Mark) Spaulding, who acknowledged and submitted proof to be a Member of COLCORD COVE H.O.A., LLC, for and on behalf of said "H.O.A.".

Rebecca Hein
Notary Public

My Commission Expires: May 13, 2006

3216

Exhibit "A"

THE SURVEYED PROPERTY IS SHOWN IN RED ON THE LOCATION MAP AND IS ALIGNED IN THE NORTH-SOUTH DIRECTION.

DATE: 01/10/99

BY: [Signature]

RECORDING OFFICE: GILA COUNTY, ARIZONA

RECORDED SURVEY MAP NO. 3209

DATE RECORDED: 01/10/99

RECORDING OFFICE: GILA COUNTY, ARIZONA

FOR

A PORTION OF H.E.S. 467
 GILA & SALT RIVER MERIDIAN
 GILA COUNTY, ARIZONA

AMENDED SURVEY TO INCLUDE
 ACREAGE FOR PARCELS

RECORDED SURVEY MAP 3209, GILA CO. RECORDS



LOCATION MAP

MAY 1867

THE SURVEYED PROPERTY IS SHOWN IN RED ON THE LOCATION MAP AND IS ALIGNED IN THE NORTH-SOUTH DIRECTION.

DATE: 01/10/99

BY: [Signature]

RECORDING OFFICE: GILA COUNTY, ARIZONA

RECORDED SURVEY MAP NO. 3209

DATE RECORDED: 01/10/99

RECORDING OFFICE: GILA COUNTY, ARIZONA

FOR

A PORTION OF H.E.S. 467
 GILA & SALT RIVER MERIDIAN
 GILA COUNTY, ARIZONA

AMENDED SURVEY TO INCLUDE
 ACREAGE FOR PARCELS

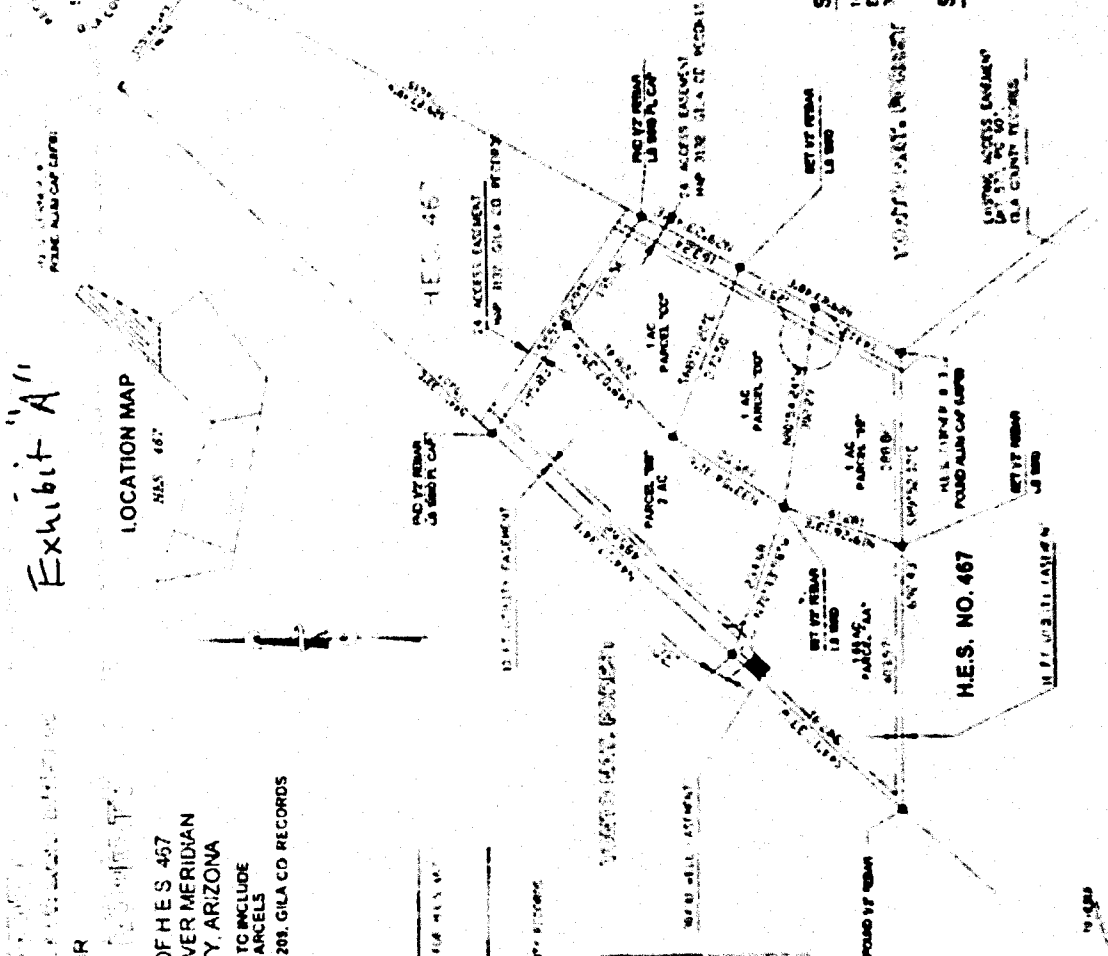
RECORDED SURVEY MAP 3209, GILA CO. RECORDS

BASIS OF BEARING

BASIS OF SURVEY

APPROVED TO BE PLACED
 IN THE PUBLIC RECORDS
 OF GILA COUNTY, ARIZONA
 THIS 10th day of January 1999
 [Signature]

- LEGEND:**
- FOUND ALUM CAP SURVEY
 - FOUND OPEN PIPE
 - FOUND SET REBAR
 - FOUND SET REBAR
 - FOUND SET REBAR
 - FOUND SET REBAR
 - FOUND SET REBAR



SURVEYOR'S NOTE:

THIS DRAWING DOES NOT REFLECT ANY RIGHTS-OF-WAY, EASEMENTS OR OTHER ENCUMBRANCES WHICH WOULD BE REVEALED BY A CURRENT TITLE REPORT.

SURVEYORS CERTIFICATION

I, HARRY MALCOLM CERRY, BEING THE SURVEYOR SHOWN HEREON AND DOWN UNDER THE SIGNATURE AND SEAL OF OFFICE, DO HEREBY CERTIFY THAT I AM A LICENSED SURVEYOR IN THE STATE OF ARIZONA AND THAT I HAVE PERSONALLY CONDUCTED THE SURVEY SHOWN HEREON AND THAT THE SURVEY HAS BEEN ACCURATELY PLACED IN THE PUBLIC RECORDS OF GILA COUNTY, ARIZONA.



RESULTS OF SURVEY FOR A PORTION OF H.E.S. 467	
DATE	01/10/99
BY	[Signature]
FOR	01/10/99
RECORDING OFFICE	GILA COUNTY, ARIZONA
RECORDING OFFICE NO.	3209
RECORDING OFFICE DATE	01/10/99
RECORDING OFFICE TIME	10:00 AM
RECORDING OFFICE LOCATION	GILA COUNTY, ARIZONA

NON-CONFORMING - DUE TO TYPE SIZE CLARITY AND/OR MARGINS THE RECORDER CANNOT GUARANTEE THIS PAGE WILL COPY SATISFACTORILY FROM MICROFILM

Gila County, AZ

2000-010023

098

3216

3217

THIS SURVEY, OTHER THAN
AS SHOWN ON THE PLAT, HAS
NOT BEEN RECORDED IN THE
OFFICE OF THE COUNTY RECORDER
OF GILA COUNTY, ARIZONA.
DATE OF SURVEY: 11/17/95
BY: [Signature]
RECORDING NO. 2006-016150
GILA COUNTY RECORDER

Andy River Property
2006-016150

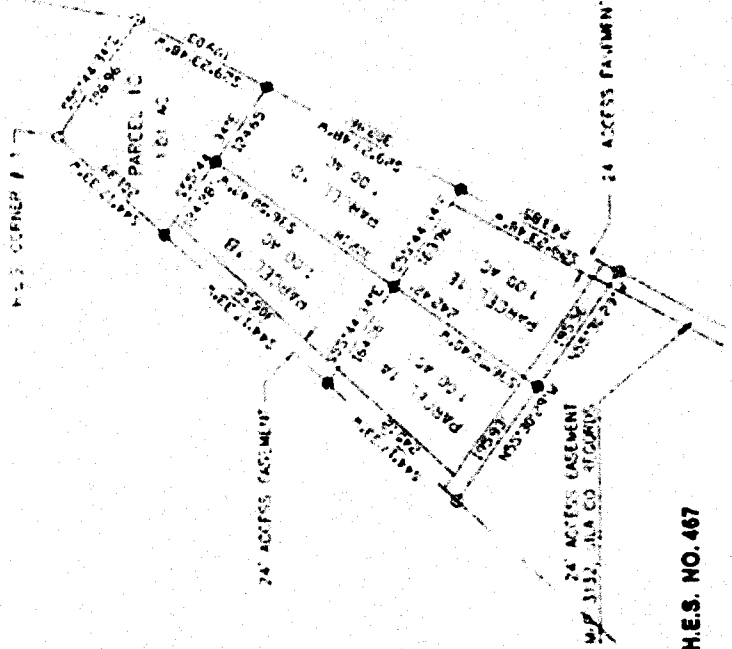
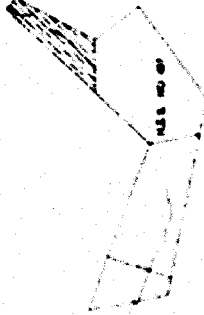
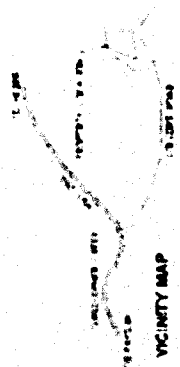


APPROVED FOR RECORDING
BY: [Signature]
DATE: 11/17/95
GILA COUNTY RECORDER

Exhibit "B"

FOR
A PORTION OF H.E.S. 467
GILA & SALT RIVER MERIDIAN
GILA COUNTY, ARIZONA

NON-CONFORMING - DUE TO TYPE SIZE,
CLARITY AND/OR MARGINS THE
RECORDER CANNOT GUARANTEE THIS
PAGE WILL COPY SATISFACTORILY FROM
MICROFILM



BASIS OF BEARING
GPS SURVEILING, RECORD BEARING H.E.S. 467

BASIS OF SURVEY
METRIC SURVEYING
GILA COUNTY RECORDER'S OFFICE
GILA COUNTY, ARIZONA

SURVEYOR'S NOTE:
THIS DRAWING DOES NOT PROTECT ANY RIGHTS OR INTERESTS
BASED ON RECORDS OR OTHER ENCUMBRANCES WHICH SHOULD
BE REVIEWED BY A COMPETENT TITLE OFFICER.

SURVEYORS CERTIFICATION



I HEREBY CERTIFY THAT THE
SURVEY SHOWN HEREON WAS DONE
UNDER MY DIRECT SUPERVISION DURING
THE MONTH OF JULY 1995 AND IS
COMPLETE AND ACCURATE TO THE BEST
OF MY KNOWLEDGE AND THAT THE
SURVEY MONUMENTS SHOWN HEREON
HAVE BEEN LOCATED AS SHOWN

NAME	ANDREW RIVER
ADDRESS	1111 N. 1ST ST.
CITY	PHOENIX, ARIZONA
STATE	ARIZONA
COUNTY	GILA COUNTY
ZIP	85001
PHONE	(602) 252-1111
FAX	(602) 252-1111
EMAIL	ANDREW@ANDREW.COM
DATE	11/17/95
SCALE	AS SHOWN
PROJECT	H.E.S. 467
SECTION	10-14
TOWNSHIP	35N
RANGE	11E
SECTION	10-14
DATE	11/17/95
SCALE	AS SHOWN
PROJECT	H.E.S. 467
SECTION	10-14
TOWNSHIP	35N
RANGE	11E
SECTION	10-14

LEGEND:

- 1/4 SECTION
- 1/2 SECTION
- 3/4 SECTION
- 1/4 SECTION
- 1/2 SECTION
- 3/4 SECTION



Gila County, AZ

DRES

2006-016150
2006 01 24
11:00 AM
2006 01 24
01:00

3217

TERRA QUEST TRUST

WHEN RE-RECORDED, RETURN TO:

COLCORD COVE H.O.A., LLC
8238 E. Kramer Circle
Mesa, Arizona 85207
480-984-7200



Gila County, AZ

MAG

2006-018824

Page 1 of 19

11/01/2006 01:27P
27.00

DECLARATION AND GRANT OF: WELL EASEMENT AND SHARING AGREEMENT

- 1) **Effective Date:** Effective as of the 21st day of September 2006, and RE-RECORDED the 1st day of November, 2006, to correct typing errors and name change, the following parties enter into this Declaration and Grant of Well Easements and Water Sharing Agreement (The "Agreement") which are by reference a part of the Covenants, Conditions and Restrictions ("C.C.&R'S"), heretofore recorded.
- 2) **PARTIES**
 - a. **Grantors**
Terra Quest Trust
Richard M. (Mark) Spaulding
 - b. **Grantees**
Parcels AA, BB, CC, EE & EE of "Minor Land Division" Map # 3216 Doc. # 2006-016149 and
Parcels 1A, 1B, 1C, 1D and 1E of "Minor Land Division" Map # 3217 Doc. # 2006-016150
Recorded in Gila County, Arizona
- 3) **DOMINATE PARCELS.** The parcels as owned at the above date, by Grantors, containing the Easements relating to the two (2) separate Plat Maps # 3216 and 3217; the two (2) separate Wells; and the two (2) separate well equipment houses (managed collectively for economic reasons).
 - a. **Address or location.**
Three miles east of State HWY 260 on Colcord Road. See Attached two (2) separate "Minor Land Division" Plat Maps 3216 and 3217.
 - b. **Legal Description**
H. E. S. Number 467, in Gila County Arizona and further identified as Parcel "AA", under Gila County number 303-15-001P and according to the "Minor Land division" Plat Map # 3216 of Docket # 2006-016149 for Terra Quest Trust, an Arizona Trust (Larkin A. Palmer its Trustee) and Parcel 1C, under Gila County number 303-15-001N, and according to the "Minor Land Division" Plat Map # 3217 of Docket # 2006-016150 for Richard M. (Mark) Spaulding, and the two (2) separate Plat Maps are dated the 20th day of September 2006, and the two (2) separate "Minor Land Divisions" shall collectively be known as "COLCORD COVE" and managed collectively by "COLCORD COVE H.O.A., LLC."
- 4) **SERVIENT PARCELS.** The Parcels now or in the future owned by Grantees (and benefited by all Easements and Agreements set forth herein).
 - a. **Address or location.**

Ref. Fee # 2006-016470

See Attached Exhibits "A" & "B"



Parcels AA, BB, CC, EE & EE of "Minor Land Division" Map # 3216 Doc. # 2006-016149 and Parcels 1A, 1B, 1C, 1D, and 1E of "Minor Land Division" Map # 3217 Doc. # 2006-016150 and Recorded in Gila County, Arizona.

b. Legal Description

H. E. S. Number 467, in Gila County Arizona and further identified as Parcels "AA", "BB", "CC", "DD" and "EE" under Gila County number 303-15-001P and according to the "Minor Land Division" Plat Map # 3216 of Docket # 2006-016149 for Terra Quest Trust, an Arizona Trust (Larkin A. Palmer its Trustee) and also identified as Parcels 1A, 1B, 1C, 1D, and 1E under Gila County number 303-15-001N, and according to the "Minor Land Division" Plat Map # 3217 Docket # 2006-016150 for Richard M. (Mark) Spaulding, and both separate Plat Maps are dated the 20th day of September 2006, and the two (2) separate "Minor Land Divisions" shall collectively be known as COLCORD COVE and managed by "COLCORD COVE H.O.A., LLC".

- 5) **EASEMENTS.** For good and valuable consideration, Grantors as owners of the Dominant Parcels hereby grant to Grantees (the present or future owners of the Servient Parcels), the following Declarations, Easements and Agreements:
- a. **Well Site Easements.**
Easements in and across portions of the Servient Parcels (the "Well sites and Waterline Easements") The Servient Parcels are: AA, BB, CC, DD and EE as Recorded in the "Minor Land Division" Map # 3216, and 1A, 1B, 1C, 1D and 1E as Recorded in the "Minor Land Divisions" Map # 3217.
 - b. **Entitled Well Sharing Parcels.**
Well Site Easements are for the use of the water wells by Parcels AA, BB, CC, DD, EE as registered with the Arizona Department of Water Resources under well registration # 55-905161, and Parcels 1A, 1B, 1C, 1D, 1E as registered with the Arizona Department of Water Resources under well registration # 55-905162, plus the related pumps, well head, tankage, wells, and other equipment and facilities located thereon (the "Wells")
 - c. **Private Water Line and Utility Easements.**
Easement(s) for reasonable distribution of water via water lines and utilities access, from and to the well sites, ("Utility Access Easements"), serving in and across portions of the parcels as described in paragraph 5 a. herein above.
 - d. **Private Easements for Utilities.**
Easements for underground and overhead utilities for the operations of the Wells and individual Parcel delivery lines, ("Utilities Access Easements") in and across, from and to the Well sites and private water line and utility Easements as also described in paragraph 5.a. above.



6) **CONSTRUCTION, OPERATION AND EXPENSE**

a. **Wells and Well Houses**

- (1) **Capital Improvements.** The construction of the Wells (meaning the improvements and equipment) involved in the shared water system and equipment at the well sites, including but not limited to the drilling of the wells, and installation of the two (2) well casings, submersible pumps and motors, valves, control systems, electrical equipment, storage tanks, pressure tanks, booster pumps, etc., and other appurtenances necessary for the production and delivery of domestic water from the Wells and storage tanks of water produced by the wells, and the well houses (meaning both Wells and the structure and/or landscaping – (the "Well Houses"), shall all be deemed as "Capital Improvements."
- (2) **Initial Construction.** Grantors have constructed or shall construct the Capital Improvements of the two (2) Wells and Well Houses and all water delivery lines and attachments and to each Parcel's property line, under an initial participant fee as stated in the "C.C.&R'S". Further, the responsibility for the maintenance and repair of all items described herein shall be the responsibility of all Owners of the Parcels as described on an equal share basis.
- (3) **Maintenance, Repair and Reconstruction.** After the effective date of this Agreement, each Parcel Owner shall also share equally in any and all costs of adequate and reasonable maintenance, repair, renewal, replacement and upgrading of the Capital Improvements of the two (2) separate wells, well houses, water line delivery systems, as necessary or appropriate to keep same in good, safe, neat, workable and clean condition and all other costs associated with re-drilling or replacing the wells, and all accessories, together with any and all real estate taxes imposed on the Well site and water delivery system and its Capital Improvements. Plus the costs of any insurance deemed necessary by a majority of the Parcel Owners, (collectively, the "Maintenance Expenses"), shall be equally the expense of all Parcel Owners plus the annual payments for Operating Expenses described below, each Parcel Owner shall include a *reasonable sum*, as prescribed by the "COLCORD COVE H.O.A., LLC" described below, to build up a reserve of capital for the larger expenditures involved in the maintenance, repair and replacement of Capital Improvements. Any and all maintenance expenses or similar capital expenditures, which cannot be covered from such reserves shall be allocated evenly to each Parcel Owner as they are incurred and invoiced and as they become due, for payment within 30 days thereafter, and to be administered by the governing of "COLCORD COVE H.O.A., LLC."



(4) Utilities Easements. Use of the Utilities Easements is limited to the owners of the Servient and Dominant Parcels for underground or overhead delivery of any electrical power, water, telephone, (the "Utilities") or other similar utilities to and from the dominant Parcels and the Well sites to all of the Servient Parcels. Utilities shall be located along routes initially approved by the Dominant Parcels, and shall be placed as practical alongside or within any existing paths or roadways, as appropriate to avoid existing trees, vegetation, outcroppings, large rocks and other major obstacles.

The Owner of all or any of the Parcels shall have the right of access and use of any Utilities lying within the Utility Easements previously installed by the Dominant Parcels, or Utility Service Companies, as long as they satisfy the technical and legal requirements of the relevant utility company and water delivery systems.

b. **All Easements.** As long as this agreement remains applicable thereto, Owners of the Dominant Parcels may further restrict the use of any portions of these Easements for purposes not inconsistent with this Agreement.

8) REPRESENTATIONS & WARRANTIES

The Parcel Owners hereto mutually acknowledge and understand that, (i.) the present Well characteristics, i.e., well depth and construction, static water level, draw down, yield and operating capabilities are either known or acceptable to each Parcel Owner; (ii.) no warrant is being given by any Owner that there will be at any time water of a quantity or quality produced by the Well for the needs or demands of any Parcel Owner; (iii.) the chemical quality of water from the well has not been measured, but is expected to meet all mandatory Federal, State and local standards for potable water; (iv.) there is no express or implied warranty made by any Owner hereto that water from the Well shall be of a quality fit for human consumption and/or domestic uses.

9) MONETARY DEFAULT AND REMEDIES

a. An "Uncured Default" shall exist when any Parcel Owner fails to pay, within 60 days of a written invoice or notice thereof, each Parcel's prorata share of the Capital Contributions, Maintenance Expenses, and Operating Expenses (cumulatively, the "Well Expenses"), attributable to each Parcel.

b. **Remedies.** In the event of an Uncured Default:

(1) **Water and/or Power Cutoff.** Each Parcel Owner expressly and irrevocably grants the right to the H.O.A. to terminate and discontinue



access to and use of water from either or both Wells by the defaulting Parcels until the Costs to Cure have been paid in full.

(2) **Assessment Lien.** The costs to cure shall be and become a lien against the defaulting Parcel and Owner so assessed which may be evidenced by an "Assessment Lien" recorded against such defaulting Parcel and Owner by and on behalf of the H.O.A. who originally paid such expenses and such Assessment Lien shall be treated and may be foreclosed in the same fashion as liens permitted by A.R.S. 33-1256 and 1257 and others as may apply and may also include reasonable costs and attorneys fees for the preparation and/or foreclosure thereof.

(3) **Other Remedies.** The H.O.A. shall have all other rights and remedies available at law or equity

10) **SUBORDINATION OF LIEN.**

Any lien for Well Expenses or Assessment Lien shall be subordinate to the lien of any first mortgage or deed of trust against the Parcel, but the sale or transfer of any Parcel shall not affect the continuing lien. However, the sale or transfer of any Parcel pursuant to mortgage foreclosure of a first mortgage, or a trustee's sale pursuant to power of sale or a foreclosure of a first deed of trust, or any proceeding in lieu thereof, shall not extinguish the continuing lien as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Parcel from liability for any amounts becoming due thereafter or from the lien thereof.

11) **GENERAL PROVISIONS.**

The following provisions shall be applicable to this Agreement Declaration and Restrictions herein.

- a. **Multiple Owners.** As used in this Declaration the term "Owners" or "Parcel Owners" shall include all parties who are owners of all or a portion of the Property at a time implied by the language of this Declaration, who may agree in a recorded document to delegate rights under this Agreement to COLCORD COVE H.O.A. LLC or the responsible organization formed to represent the non-defaulting parties.
- b. **Binding Effect.** The contents of this Agreement and the Restrictions are for the exclusive benefit and protection of all the Owners of one or more Parcels in COLCORD COVE, and the contents hereof shall run with the land, be a burden on each Parcel, and be binding upon all persons who own, lease, sublease, or occupy any Parcel or Parcels within COLCORD COVE on the date of recordation of the Agreement or thereafter, and all shall inure to the benefit of, the present and future Owners of the Parcels as described, and their heirs, devisees, personal representatives, shareholders, directors, officers, employees, receivers, assigns and all others of the like.




- c. **Duration and Binding Effect.** The Easement, provisions, rights and privileges of this Agreement shall exist and run with the land and be binding upon all persons who own, lease, sublease or occupy any Parcel or portion thereof on the date of recordation of this Agreement and Declaration or thereafter and all shall inure to the benefit of, the present and future owners of all Parcels as described in paragraph 5. a. herein above, and their heirs, devisees, personal representatives, shareholders, directors, officers, employees, receivers, assigns and all others of the like.
- d. **Notices.** Any notices hereunder shall be given to the Parties at the addresses as first provided to the H.O.A. and all other Parcel Owners until and unless the address for receipt of notices is properly changed by written notice to the H.O.A. thereof, and to other owners of all such Parcels at the address reflected on the County Assessor for receipt of the tax assessments, or at a more recent address provided in writing by such owner to all the others or remaining owners of other Parcels, and shall be deemed delivered when delivered in hand or if sent by mail 48 hours after the same has been deposited, postage has been prepaid and certified, in the U. S. Mail, or if sent by electronic facsimile, telex, or similar telecommunications device within 10 days after a change, or to a number held out by the recipient party for receipt of telecommunications, 48 hours after being sent with confirmation thereof.
- e. **Waiver of Abandonment.** The failure to enforce any breach or violation of any of the Agreements and Restrictions shall not constitute an abandonment or a waiver of any right to enforce such Agreements and Restrictions or any subsequent breach or violation of such Agreements and Restrictions or any other Agreements and Restrictions of this Declaration.
- f. **Injunctive Relief.** In addition to the remedies for a monetary default provided herein above, every act or omission whereby anyone or more of the Easements, Conditions or Restrictions herein set forth is violated in whole or in part, where such violation continues for a period of 60 or more days from the date written notice has been delivered to the Parcel Owner, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, and in the event of any violation or threatened violation of any one or more of the Agreements and Restrictions herein set forth, the Owner of a Parcel or any portion of COLCORD COVE may enforce these Restrictions by seeking injunctive relief, or monetary damages, but nothing contained herein shall be construed as meaning that damages are an adequate remedy where equitable relief is sought.
- g. **Disputes.** Any dispute arising hereunder shall be construed under Arizona Law, with Gila or Maricopa County as the choice of venue, as selected by the Plaintiff(s) and the prevailing party shall also be entitled, as and for a liquidated value of its incidental and consequential damages, to an amount equal to twice its reasonable attorney's fees and court costs or other as established.



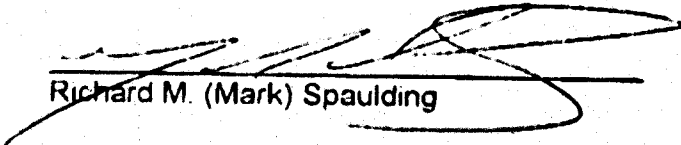
- h. **Severability.** Any determination by any court of competent jurisdiction that any provision in this Agreement and Restrictions is/are invalid or unenforceable shall not affect the validity or enforceability of the remaining provisions of this Agreement and Restrictions, and the same shall all remain in full force and effect.
- i. **Entire Agreement.** This Agreement is a part of the Covenants, Conditions and Restrictions (C.C.&R'S") that this Agreement is attached to and/or referenced including any related documents that this Agreement is attached to and/or referred to herein and/or attached hereto or thereto, constitute the complete understanding and Agreement between the Parcel Owners. All prior conversations, negotiations and representations of any and all of the Parcel Owners concerning this Agreement are superseded and merged herein.
- j. **Amendment.** This Agreement may be amended from time to time by recording in the Office of the County Recorder of Gila County, Arizona, and instrument in writing reciting said Amendment and signed (with signatures properly acknowledged) by all the Owners of the Parcels. No such Amendment shall be valid with respect to a mortgage of any Parcel or portion of COLCORD COVE unless the mortgagee has consented in writing to such Amendment.
- k. **References to Easements.** Any and all instrument of conveyance of any interest in any portion of the Parcels described herein above may contain a reference to this Agreement and shall be subject to the Easements, Conditions, and Restrictions of this Agreement the same as if they were therein and herein set forth in full, provided, however, that these Easements, Conditions, and Restrictions shall be binding upon all persons affected by the same, whether express reference is made to this Agreement or not.
- l. **Execution.** This Agreement may be executed in counterpart, and when fully executed by the Grantor herein, and this Agreement shall be fully effective when recorded.

IN WITNESS WHEREOF, the undersigned Owner(s) of the Dominate Parcel(s) hereby accept, approve, and execute this Agreement and cause the contents herein to be effective against all of the Servient Parcels and their present and all future Owners.



Terra Quest Trust
Larkin A. Palmer Trustee

Date 10-31-06



Richard M. (Mark) Spaulding

Date 10-31-06



Gila County, AZ

MC



STATE OF ARIZONA)
)) SS
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 31 ^{October} day of ~~September~~ 2006, by the Grantor, Terra Quest Trust by Larkin A. Palmer, its Trustee, an Owner of the stated Dominate Parcels managed under COLCORD COVE H.O.A., LLC.

Mary Lou Davis
Notary Public

My Commission Expires. Jan 27 2007

STATE OF ARIZONA)
)) SS
COUNTY OF Maricopa)



Notary Public State of Arizona
Maricopa County
Sabine Fran
Expires May 13, 2008

The foregoing instrument was acknowledged before me this 31 ^{October} day of ~~September~~ 2006, by the Grantor, Richard M. (Mark) Spaulding, an Owner of the stated Dominate Parcels managed under COLCORD COVE H.O.A., LLC.

Sabine Fran
Notary Public

My Commission Expires: May 13, 2008

3216

Exhibit # "A"

THIS IS THE ORIGINAL COPY OF THE SURVEY MAP AS FILED IN THE OFFICE OF THE COUNTY RECORDER, GILA COUNTY, ARIZONA, ON 09/15/2008. THE ORIGINAL COPY OF THIS SURVEY MAP IS FILED IN THE OFFICE OF THE COUNTY RECORDER, GILA COUNTY, ARIZONA, ON 09/15/2008. THE ORIGINAL COPY OF THIS SURVEY MAP IS FILED IN THE OFFICE OF THE COUNTY RECORDER, GILA COUNTY, ARIZONA, ON 09/15/2008.

2008-01049
 [Signature]

LOCATION MAP
 H.E.S. 467

A PORTION OF H.E.S. 467
 GILA & SALT RIVER MERIDIAN
 GILA COUNTY ARIZONA
 AMENDED SURVEY TO INCLUDE
 ADJUSTMENT FOR PARCELS
 RECORDED SURVEY MAP 3200, GILA CO RECORDS

BASIS OF BEARING
 BASIS OF SURVEY

APPROVED TO RECORD
 [Signature]

SURVEYOR'S NOTE:

THIS DRAWING DOES NOT REFLECT ANY RIGHT-OF-WAY, EASEMENTS, OR OTHER ENCUMBRANCES WHICH WOULD BE REVEALED BY A COMBAT FILE 40-37

SURVEYORS CERTIFICATION

I HAROLD SALMON CERTIFY THAT THE SURVEY SHOWN HEREON WAS DONE UNDER MY PERSONAL SUPERVISION DURING THE MONTH OF OCTOBER, 2008 AND IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND THAT THE SURVEY APPROXIMATELY SHOWS THE TRUE LOCATION OF THE SURVEY



RESULTS OF SURVEY FOR A PORTION OF H.E.S. 467	
TOTAL ACRES	10.11
ACRES	10.11
NET ACRES	10.11
NET ACRES	10.11
NET ACRES	10.11
NET ACRES	10.11
NET ACRES	10.11
NET ACRES	10.11
NET ACRES	10.11
NET ACRES	10.11

NON-CONFORMING - DUE TO TYPE SIZE CLARITY AND/OR MARGINS THE RECORDER CANNOT GUARANTEE THIS PAGE WILL COPY SATISFACTORILY FROM MICROFILM



2008-01049
 09/15/2008 09:27:58

3216

3217

STATE OF ARIZONA, COUNTY OF GILA
I, the undersigned, being a duly qualified and licensed
surveyor in and for the County of Gila, State of Arizona,
do hereby certify that the foregoing is a true and correct
copy of the original filed in my office on this 11th day of
February, 2006, at the City of Phoenix, Arizona.
LUCIA HANCOCK, GILA COUNTY RECORDER

Linda Rose Kelly
2006-01/150



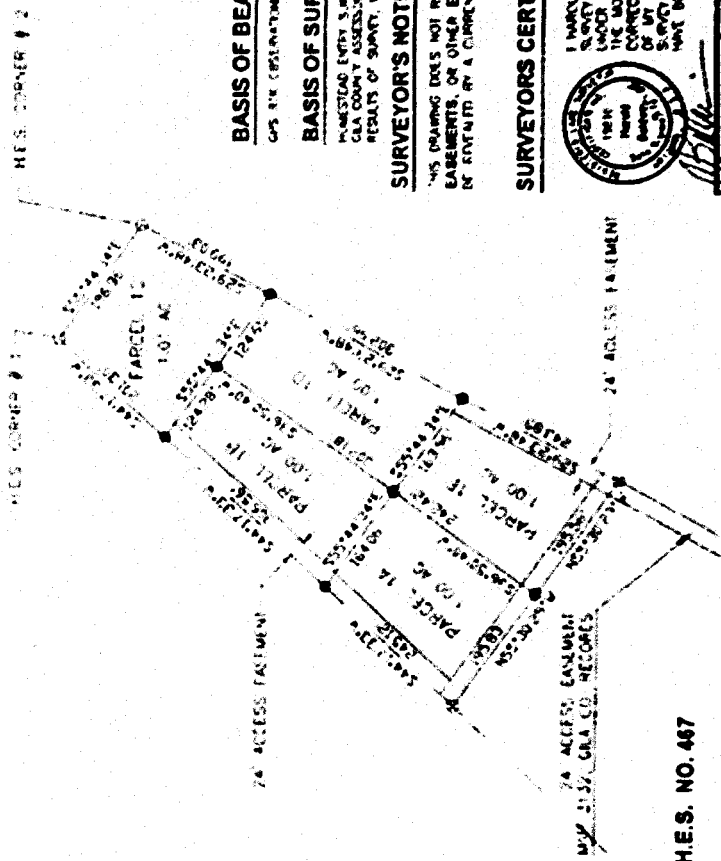
APPROVED FOR RECORD
BY THE COUNTY CLERK
ON 01/15/06
LUCIA HANCOCK
GILA COUNTY RECORDER

Exhibit "B"

FOR
A PORTION OF H.E.S. 457
GILA & SALT RIVER MERIDIAN
GILA COUNTY, ARIZONA



LEGEND:
O PLANS BOUNDARY CAP (L.S.)
S PLANS 1/4" OR LAR
C 1/4" OR LAR



BASIS OF BEARING
GPS BY OPERATIONS, FIELD MAPPING FOR H.E.S. 457

BASIS OF SURVEY
PLANNED ENTRY SURVEY 457
GILA COUNTY ASSESSOR INFORMATION
RESULTS OF SURVEY, MAP 3132, S.E.P.

SURVEYOR'S NOTE:
THIS DRAWING DOES NOT REFLECT ANY RIGHTS-OF-WAY,
EASEMENTS, OR OTHER ENCUMBRANCES WHICH WOULD
BE NOTED BY A CURRENT TITLE REPORT.

SURVEYORS CERTIFICATION
I, MARCO BALDWIN, CERTIFY THAT THE
FOREGOING SURVEY WAS DONE
UNDER MY DIRECT SUPERVISION, DURING
THE MONTH OF JULY 2005, AND IS
CORRECT AND ACCURATE TO THE BEST
OF MY KNOWLEDGE, AND THAT THE
SAID SURVEY MEETS THE REQUIREMENTS
WHICH HAVE BEEN LAID DOWN BY LAW.



RESULTS OF SURVEY FOR A PORTION OF	
DATE:	1-15-06
BY:	MARCO BALDWIN
FIELD WORK:	7/05
DATE:	07-15-05
MAP NO.	3132
MAP SHEET	1 OF 1
BY:	MARCO BALDWIN
FOR:	ABSOLUTE SURVEYING AND MAPPING, INC.
PROJECT NO.	2005-01150
MAP SHEET	1 OF 1

NON CONFORMING - DUE TO TYPE SIZE,
CLARITY AND/OR MARGINS THE
RECORDER CANNOT GUARANTEE THIS
PAGE WILL COPY SATISFACTORILY FROM
MICROFILM



Gila County, AZ

2006-01150
11 20 05 12
27 08 2006 01 15 06

3217



Gila County, AZ
 Linda Haught Ortega, Recorder
 09/25/2006
 04:15PM
 Doc Code: UAC

Doc Id: 2006-016470
 Receipt #: 48810
 Rec Fee: 22.00

TERRA QUEST TRUST

WHEN RECORDED, RETURN TO:

Terra Quest Trust
 An Arizona Business Trust
 8238 E. Kramer Circle
 Mesa, Arizona 85207
 480-984-7200



Gila County, AZ

UAC

2006-016470

Page 1 of 8
 09/25/2006 04:15P
 22.00

Declaration and Grant of:

WELL EASEMENT AND SHARING AGREEMENT

- 1) **Effective Date:** Effective as of the 21st day of September 2006 the following parties enter into this Declaration and Grant of Well Easements and Water Sharing Agreement (The "Agreement") which are by reference a part of the Covenants, Conditions and Restrictions ("C.C.&R'S"), heretofore recorded.
- 2) **PARTIES**
 - a. **Grantors**
 Terra Quest Trust
 Richard M. (Mark) Spaulding
 - b. **Grantees**
 Parcels AA, BB, CC, EE & EE of "Minor Land Division" Map # 3216 Doc. # 2006-016149 and Parcels 1A, 1B, 1C, 1D and 1E of "Minor Land Division" Map # 3217 Doc. # 2006-01650
 Recorded in Gila County, Arizona
- 3) **DOMINATE PARCELS.** The parcels as owned at the above date, by Grantors, containing the Easements relating to the two (2) separate Plat Maps # 3216 and 3217; the two (2) separate Wells; and the two (2) separate well equipment houses (managed collectively for economic reasons).
 - a. **Address or location.**
 Three miles east of State HWY 260 on Colcord Road. See Attached two (2) separate "Minor Land Division" Plat Maps 3216 and 3217.
 - b. **Legal Description**
 H. E. S. Number 467, in Gila County Arizona and further identified as Parcel "AA", under Gila County number 303-15-001P and according to the "Minor Land division" Plat Map # 3216 of Docket # 2006-01649 for Terra Quest Trust, an Arizona Trust (Larkin A. Palmer its Trustee) and Parcel 1C, under Gila County number 303-15-001N, and according to the "Minor Land Division" Plat Map # 3217 of Docket # 2006-01650 for Richard M. (Mark) Spaulding, and the two (2) separate Plat Maps are dated the 20th day of September 2006, and the two (2) separate "Minor Land Divisions" shall collectively be known as "COLCORD COVE" and managed collectively by "COLCORD COVE ASSOCIATION, LLC."
- 4) **SERVIENT PARCELS.** The Parcels now or in the future owned by Grantees (and benefited by all Easements and Agreements set forth herein).
 - a. **Address or location.**
 Parcels AA, BB, CC, EE & EE of "Minor Land Division" Map # 3216 Doc. # 2006-016149 and Parcels 1A, 1B, 1C, 1D, and 1E of "Minor Land Division" Map # 3217 Doc. # 2006-01650 and Recorded in Gila County, Arizona.



a. **Address or location.**
Parcels AA, BB, CC, EE & EE of "Minor Land Division" Map # 3216 Doc. # 2006-016149 and Parcels 1A, 1B, 1C, 1D, and 1E of "Minor Land Division" Map # 3217 Doc. # 2006-01650 and Recorded in Gila County, Arizona.

b. **Legal Description**

H. E. S. Number 467, in Gila County Arizona and further identified as Parcels "AA", "BB", "CC", "DD" and "EE" under Gila County number 303-15-001P and according to the "Minor Land Division" Plat Map # 3216 of Docket # 2006-01649 for Terra Quest Trust, an Arizona Trust (Larkin A. Palmer its Trustee) and also identified as Parcels 1A, 1B, 1C, 1D, and 1E under Gila County number 303-15-001N, and according to the "Minor Land Division" Plat Map # 3217 Docket. # 2006-01650 for Richard M. (Mark) Spaulding, and both separate Plat Maps are dated the 20th day of September 2006, and the two (2) separate "Minor Land Divisions" shall collectively be known as COLCORD COVE and managed by "COLCORD COVE ASSOCIATION, LLC".

5) **EASEMENTS.** For good and valuable consideration, Grantors as owners of the Dominant Parcels hereby grant to Grantees (the present or future owners of the Servient Parcels), the following Declarations, Easements and Agreements:

a. **Well Site Easements.**

Easements in and across portions of the Servient Parcels (the "Well sites and Waterline Easements") The Servient Parcels are: AA, BB, CC, DD and EE as Recorded in the "Minor Land Division" Map # 3216, and 1A, 1B, 1C, 1D and 1E as Recorded in the "Minor Land Divisions" Map # 3217.

b. **Entitled Well Sharing Parcels.**

Well Site Easements are for the use of the water wells by Parcels AA, BB, CC, DD, EE as registered with the Arizona Department of Water Resources under well registration # 55-905161, and Parcels 1A, 1B, 1C, 1D, 1E as registered with the Arizona Department of Water Resources under well registration # 55-905162, plus the related pumps, well head, tankage, wells and other equipment and facilities located thereon (the "Wells"):

c. **Private Water Line and Utility Easements.**

Easement(s) for reasonable distribution of water via water lines and utilities access, from and to the well sites, ("Utility Access Easements"), serving in and across portions of the parcels as described in paragraph 5 a. herein above

d. **Private Easements for Utilities.**

Easements for underground and overhead utilities for the operations of the Wells and individual Parcel delivery lines, ("Utilities Access Easements"), in and across, from and to the Well sites and private water line and utility Easements as also described in paragraph 5.a. above.



6) CONSTRUCTION, OPERATION AND EXPENSE

a. Wells and Well Houses

- (1) **Capital Improvements.** The construction of the Wells (meaning the improvements and equipment) involved in the shared water system and equipment at the well sites, including but not limited to the drilling of the wells, and installation of the two (2) well casings, submersible pumps and motors, valves, control systems, electrical equipment, storage tanks, pressure tanks, booster pumps, etc., and other appurtenances necessary for the production and delivery of domestic water from the Wells and storage tanks of water produced by the wells, and the well houses (meaning both Wells and the structure and/or landscaping - (the "Well Houses"), shall all be deemed as "Capital Improvements."
- (2) **Initial Construction.** Grantors have constructed or shall construct the Capital Improvements of the two (2) Wells and Well Houses and all water delivery lines and attachments and to each Parcel's property line, under an initial participant fee as stated in the "C.C.&R'S". Further, the responsibility for the maintenance and repair of all items described herein shall be the responsibility of all Owners of the Parcels as described on an equal share basis.
- (3) **Maintenance, Repair and Reconstruction.** After the effective date of this Agreement, each Parcel Owner shall also share equally in any and all costs of adequate and reasonable maintenance, repair, renewal, replacement and upgrading of the Capital Improvements of the two (2) separate wells, well houses, water line delivery systems, as necessary or appropriate to keep same in good, safe, neat, workable and clean condition and all other costs associated with re-drilling or replacing the wells, and all accessories, together with any and all real estate taxes imposed on the Well site and water delivery system and its Capital Improvements. Plus the costs of any insurance deemed necessary by a majority of the Parcel Owners, (collectively, the "Maintenance Expenses"), shall be equally the expense of all Parcel Owners plus the annual payments for Operating Expenses described below, each Parcel Owner shall include a *reasonable sum*, as prescribed by the "COLCORD COVE ASSOCIATION, LLC" described below, to build up a reserve of capital for the larger expenditures involved in the maintenance, repair and replacement of Capital Improvements. Any and all maintenance expenses or similar capital expenditures, which cannot be covered from such reserves shall be allocated evenly to each Parcel Owner as they are incurred and invoiced and as they become due, for payment within 30 days thereafter, and to be administered by the governing of "COLCORD COVE ASSOCIATION, LLC."



(4) Utilities Easements. Use of the Utilities Easements is limited to the owners of the Servient and Dominant Parcels for underground or overhead delivery of any electrical power, water, telephone, (the "Utilities") or other similar utilities to and from the dominant Parcels and the Well sites to all of the Servient Parcels. Utilities shall be located along routes initially approved by the Dominant Parcels, and shall be placed as practical alongside or within any existing paths or roadways, as appropriate to avoid existing trees, vegetation, outcroppings, large rocks and other major obstacles.

The Owner of all or any of the Parcels shall have the right of access and use of any Utilities lying within the Utility Easements previously installed by the Dominant Parcels, or Utility Service Companies, as long as they satisfy the technical and legal requirements of the relevant utility company and water delivery systems.

b. **All Easements.** As long as this agreement remains applicable thereto, Owners of the Dominant Parcels may further restrict the use of any portions of these Easements for purposes not inconsistent with this Agreement.

8) REPRESENTATIONS & WARRANTIES

The Parcel Owners hereto mutually acknowledge and understand that: (i.) the present Well characteristics, i.e., well depth and construction, static water level, draw down, yield and operating capabilities are either known or acceptable to each Parcel Owner; (ii.) no warrant is being given by any Owner that there will be at any time water of a quantity or quality produced by the Well for the needs or demands of any Parcel Owner; (iii.) the chemical quality of water from the well has not been measured, but is expected to meet all mandatory Federal, State and local standards for potable water; (iv.) there is no express or implied warranty made by any Owner hereto that water from the Well shall be of a quality fit for human consumption and/or domestic uses.

9) MONETARY DEFAULT AND REMEDIES

a. An "Uncured Default" shall exist when any Parcel Owner fails to pay, within 60 days of a written invoice or notice thereof, each Parcel's prorata share of the Capital Contributions, Maintenance Expenses, and Operating Expenses (cumulatively, the "Well Expenses"), attributable to each Parcel.

b. **Remedies.** In the event of an Uncured Default

(1) **Water and/or Power Cutoff.** Each Parcel Owner expressly and irrevocably grants the right to the Association to terminate and discontinue access to and use of water from either or both Wells by the defaulting Parcels until the Costs to Cure have been paid in full.



(2) **Assessment Lien.** The costs to cure shall be and become a lien against the defaulting Parcel and Owner so assessed which may be evidenced by an "Assessment Lien" recorded against such defaulting Parcel and Owner by and on behalf of the Association who originally paid such expenses and such Assessment Lien shall be treated and may be foreclosed in the same fashion as liens permitted by A.R.S. 33-1256 and 1257 and others as may apply and may also include reasonable costs and attorneys fees for the preparation and/or foreclosure thereof.

(3) **Other Remedies.** The Association shall have all other rights and remedies available at law or equity.

10) **SUBORDINATION OF LIEN.**

Any lien for Well Expenses or Assessment Lien shall be subordinate to the lien of any first mortgage or deed of trust against the Parcel, but the sale or transfer of any Parcel shall not affect the continuing lien. However, the sale or transfer of any Parcel pursuant to mortgage foreclosure of a first mortgage, or a trustee's sale pursuant to power of sale or a foreclosure of a first deed of trust, or any proceeding in lieu thereof, shall not extinguish the continuing lien as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Parcel from liability for any amounts becoming due thereafter or from the lien thereof.

11) **GENERAL PROVISIONS.**

The following provisions shall be applicable to this Agreement Declaration and Restrictions herein:

- a. **Multiple Owners.** As used in this Declaration the term "Owners" or "Parcel Owners" shall include all parties who are owners of all or a portion of the Property at a time implied by the language of this Declaration, who may agree in a recorded document to delegate rights under this Agreement to COLCORD COVE ASSOCIATION, LLC" or the responsible organization formed to represent the non-defaulting parties.
- b. **Binding Effect.** The contents of this Agreement and the Restrictions are for the exclusive benefit and protection of all the Owners of one or more Parcels in COLCORD COVE, and the contents hereof shall run with the land, be a burden on each Parcel, and be binding upon all persons who own, lease, sublease, or occupy any Parcel or Parcels within COLCORD COVE on the date of recordation of the Agreement or thereafter, and all shall inure to the benefit of, the present and future Owners of the Parcels as described, and their heirs, devisees, personal representatives, shareholders, directors, officers, employees, receivers, assigns and all others of the like.
- c. **Duration and Binding Effect.** The Easement, provisions, rights and privileges of this Agreement shall exist and run with the land and be binding upon all persons who own, lease, sublease or occupy any Parcel or portion



thereof on the date of recordation of this Agreement and Declaration or thereafter and all shall inure to the benefit of, the present and future owners of all Parcels as described in paragraph 5. a. herein above, and their heirs, devisees, personal representatives, shareholders, directors, officers, employees, receivers, assigns and all others of the like.

- d. **Notices.** Any notices hereunder shall be given to the Parties at the addresses as first provided to the Association and all other Parcel Owners until and unless the address for receipt of notices is properly changed by written notice to the Association thereof, and to other owners of all such Parcels at the address reflected on the County Assessor for receipt of the tax assessments, or at a more recent address provided in writing by such owner to all the others or remaining owners of other Parcels, and shall be deemed delivered when delivered in hand or if sent by mail 48 hours after the same has been deposited, postage has been prepaid and certified, in the U. S. Mail, or if sent by electronic facsimile, telex, or similar teleccommunications device with in 10 days after a change, or to a number held out by the recipient party for receipt of telecommunications, 48 hours after being sent with confirmation thereof.
- e. **Waiver of Abandonment.** The failure to enforce any breach or violation of any of the Agreements and Restrictions shall not constitute an abandonment or a waiver of any right to enforce such Agreements and Restrictions or any subsequent breach or violation of such Agreements and Restrictions or any other Agreements and Restrictions of this Declaration.
- f. **Injunctive Relief.** In addition to the remedies for a monetary default provided herein above, every act or omission whereby anyone or more of the Easements, Conditions or Restrictions herein set forth is violated in whole or in part, where such violation continues for a period of 60 or more days from the date written notice has been delivered to the Parcel Owner, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, and in the event of any violation or threatened violation of any one or more of the Agreements and Restrictions herein set forth, the Owner of a Parcel or any portion of COLCORD COVE may enforce these Restrictions by seeking injunctive relief, or monetary damages, but nothing contained herein shall be construed as meaning that damages are an adequate remedy where equitable relief is sought.
- g. **Disputes.** Any dispute arising hereunder shall be construed under Arizona Law, with Gila or Maricopa County as the choice of venue, as selected by the Plaintiff(s) and the prevailing party shall also be entitled, as and for a liquidated valued of its incidental and consequential damages, to an amount equal to twice its reasonable attorney's fees and court costs or other as established



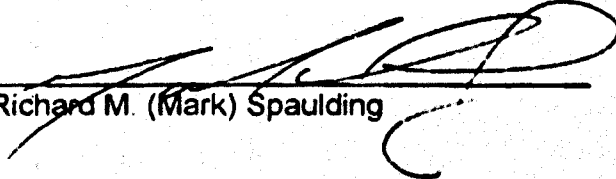
- h. **Severability.** Any determination by any court of competent jurisdiction that any provision in this Agreement and Restrictions is/are invalid or unenforceable shall not affect the validity or enforceability of the remaining provisions of this Agreement and Restrictions, and the same shall all remain in full force and effect.
- i. **Entire Agreement.** This Agreement is a part of the Covenants, Conditions and Restrictions (C.C.&R'S") that this Agreement is attached to and/or referenced including any related documents that this Agreement is attached to and/or referred to herein and/or attached hereto or thereto, constitute the complete understanding and Agreement between the Parcel Owners. All prior conversations, negotiations and representations of any and all of the Parcel Owners concerning this Agreement are superseded and merged herein.
- j. **Amendment.** This Agreement may be amended from time to time by recording in the Office of the County Recorder of Gila Country, Arizona, and instrument in writing reciting said Amendment and signed (with signatures properly acknowledged) by all the Owners of the Parcels. No such Amendment shall be valid with respect to a mortgage of any Parcel or portion of COLCORD COVE unless the mortgagee has consented in writing to such Amendment.
- k. **References to Easements.** Any and all instrument of conveyance of any interest in any portion of the Parcels described herein above may contain a reference to this Agreement and shall be subject to the Easements, Conditions, and Restrictions of this Agreement the same as if they were therein and herein set forth in full, provided, however, that these Easements, Conditions, and Restrictions shall be binding upon all persons affected by the same, whether express reference is made to this Agreement or not.
- l. **Execution.** This Agreement may be executed in counterpart, and when fully executed by the Grantor herein, and this Agreement shall be fully effective when recorded.

IN WITNESS WHEREOF, the undersigned Owner(s) of the Dominate Parcel(s) hereby accept, approve, and execute this Agreement and cause the contents herein to be effective against all of the Servient Parcels and their present and all future Owners.



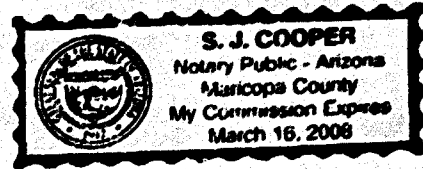
Terra Quest Trust
Larkin A. Palmer Trustee

Date 9-25-06



Richard M. (Mark) Spaulding

Date 9-25-06

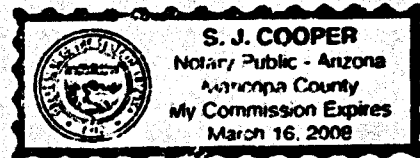


STATE OF ARIZONA)
) ss
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 25 day of September 2006, by the Grantor, Terra Quest Trust by Larkin A. Palmer, its Trustee, an Owner of the stated Dominate Parcels managed under COLCORD COVE ASSOCIATION, LLC.

S. J. Cooper
Notary Public

My Commission Expires: 03/16/08



STATE OF ARIZONA)
) ss
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 25 day of September 2006, by the Grantor, Richard M. (Mark) Spaulding, an Owner of the stated Dominate Parcels managed under COLCORD COVE ASSOCIATION, LLC.

S. J. Cooper
Notary Public

My Commission Expires: 03/16/08

2006-010470
Page 8 of 8
09/26/2006 04:15P
LMS
Gila County, AZ



Gila County, AZ
 Linda Naught Ortega, Records
 10/16/2006
 10:42AM
 Doc Code: E

Doc Id: 2006-017634
 Receipt #: 49431
 Rec Fee: 13.00

PIONEER TITLE AGENCY RECORDING



Gila County, AZ

2006-017634
 Page: 1 of 2
 10/16/2006 10:42AM
 13.00

WHEN RECORDED MAIL TO:

TERRA QUEST TRUST
 8238 E. KRAMER CIRCLE
 MESA, AZ 85207

GRANT OF EASEMENT

This indenture made this 11th day of October, 2006, between
RICHARD M. SPAULDING, an unmarried man, Grantor(s)
 and TERRA QUEST TRUST, a business trust dated January 1, 1998, by Larkin A. Palmer, Trustee, Grantee(s);
 WITNESSETH:

That for and in consideration of \$1.00 and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor(s) does (do) hereby grant, bargain, sell, and convey unto the Grantee(s), and their assigns, an easement over and across the following described property:
 SEE ATTACHED EXHIBIT "A"

Said easement is for PURPOSES SET FORTH IN ATTACHED EXHIBIT "A" and is to be appurtenant to the following described property:

Parcel B of Record of Survey recorded as Survey Map No. 3132, lying within that portion of Homestead Entry Survey No. 467, records of Gila County, Arizona.

If at any time this easement is abandoned by Grantee(s), or their assigns, the rights granted herein shall cease and terminate and the land traversed by or included in the easement so abandoned shall revert to the then owner of the above described land and be free of said easement as fully and completely as if this indenture had not been made.

IN WITNESS WHEREOF the Grantor(s) has (have) caused this indenture to be signed on the day and year first written above.

RICHARD M. SPAULDING

STATE OF ARIZONA)
) ss.
 County of Gila)

This instrument was acknowledged before me this 11th day of October, 2006.
~~XXXX~~ by RICHARD M. SPAULDING

Notary Public
 My commission expires:

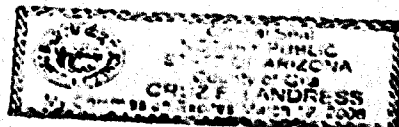




EXHIBIT "A"

THAT CERTAIN 24 FOOT ACCESS EASEMENT OVER THE SOUTH PORTION OF PARCEL A OF RECORD OF SURVEY RECORDED AS SURVEY MAP NO. 3132, LYING WITHIN THAT PORTION OF HOMESTEAD ENTRY SURVEY NO. 467. THIS EASEMENT IS ALSO LYING NORTH OF PARCELS "BB" AND "CC" OF RECORDS OF SURVEY RECORDED AS SURVEY MAP NO. 3216, LYING WITHIN THAT PORTION OF HOMESTEAD ENTRY SURVEY NO. 467, RECORDS OF GILA COUNTY, ARIZONA; AND THAT CERTAIN 10 FOOT UTILITY EASEMENT LYING WITHIN SAID 24 FOOT ACCESS EASEMENT DESCRIBED ABOVE AS SHOWN ON RECORD OF SURVEY RECORDED AS SURVEY MAP NO. 3216, RECORDS OF GILA COUNTY, ARIZONA.