

**THIRD
AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**WINDMILL RANCH PHASE TWO AND
WINDMILL MOUNTAIN RANCHES
Mohave County, Arizona**

This Declaration is made by the Windmill Mountain Ranches Property Owners' Association, Inc., an Arizona corporation, on behalf of itself and all property owners in the Windmill Ranch Phase Two and Windmill Mountain Ranches subdivisions. The property which is subject to this Declaration is described more fully in Exhibit "A" attached hereto (incorporated herein by this reference).

The undersigned Declarant or its predecessors in interest previously recorded the Declaration of Covenants, Conditions and Restrictions for Windmill Ranch Phase Two recorded in Book 3196, Page 804, at fee #98069581 and the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Windmill Ranch Phase Two and Windmill Mountain Ranches (the "Second Amended and Restated Declaration of CCR's") recorded in Book 3387, Page 370, at fee #99059607, Official Records of Mohave County, Arizona, together with all amendments, restatements, supplements, and corrections thereto.

Pursuant to the provisions set forth in Paragraph 7.D of the Second Amended and Restated Declaration of CCR's, Declarant does hereby amend and restate the Second Amended and Restated Declaration of CCR's in their entirety as set forth hereinbelow. The undersigned Directors and the Officers of the Windmill Mountain Ranches Property Owners' Association, Inc. do hereby certify and attest that this Declaration was duly authorized by a two-thirds majority vote of the Owners at a meeting duly called for that purpose.

This Declaration is being recorded to establish and continue the general plan for the development, sale, lease and use of the Property in order to protect and enhance the value and desirability of the Property. All of the property described in Exhibit "A" hereinbelow is declared to be held, sold, encumbered, and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each person or entity binds himself/herself or itself, and his/her/its heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereto. In addition, each person or entity by so doing acknowledges that this Declaration sets forth a

general plan for the development, sale, lease and use of the Property and that all of the restrictions, conditions, covenants, rules and regulations run with the land and are binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees, and transferees. Furthermore, each such person or entity understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the Association and all Owners. Each and every Parcel and the membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Parcel, even though the description in the instrument of conveyance or encumbrance may refer only to the Parcel.

1. DEFINITIONS

As used herein, the following terms have the following meanings:

- A.** "Additional Property" means any real property owned by the Windmill Mountain Ranches Property Owners' Association, Inc. which is situated within or adjacent to the vicinity of the Property, together with all improvements located thereon.
- B.** "Association" means the Windmill Mountain Ranches Property Owners' Association, Inc. (formerly, the Windmill Ranch Phase Two and Windmill Mountain Ranches Property Owners' Association, Inc.), as referred to in Paragraph 2 of this Declaration.
- C.** "Bona Fide First Deed of Trust" means any deed of trust or realty mortgage or agreement for sale made in good faith and for value that is properly executed and recorded so as to create a lien on any Parcel or Parcels which is prior to the lien of any other deed of trust or realty mortgage.
- D.** "Declaration," or "CCR," means this Declaration of Covenants, Conditions, and Restrictions.
- E.** "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of fee, equitable, or beneficial title to any Parcel. Owner shall include the purchaser of a Parcel under an executory contract for purchase. The foregoing definition does not include persons or entities who hold an interest in any Parcel as security for the performance of an obligation.

F. “Member in Good Standing” shall mean an Owner who is not in violation of any of the provisions of this Declaration and is not delinquent in the payment of any regular or special assessment, including any penalties, interest, expenses, or attorney’s fees.

G. “Parcel” or “Parcels” means a portion of the Property intended for independent ownership and use and designated as a Parcel on the Record of Survey, either individually or collectively as the case may be, and all divisions thereof as allowed by law.

H. “**Project A**” means the Property consisting of **36+ acre Parcels** and which comprise the project known as **Windmill Ranch Phase Two** (included in Exhibit "A" of this Declaration). Such parcels are identified numerically as Parcels 1 through 197 and include all parcels identified with repeated numbers.

I. “**Project B**” means the Property consisting of **160+ acre Parcels** and which comprise the project known as **Windmill Mountain Ranches** (included in Exhibit "A" of this Declaration). Such parcels are identified alphabetically as Parcels A through R.

J. “Property” means the real property described in Exhibit "A" attached to this Declaration (Windmill Ranch Phase Two and Windmill Mountain Ranches), together with all improvements located thereon, and all Additional Property, together with all improvements located thereon, which is annexed and subjected to this Declaration by the Association, pursuant to Paragraph 3 of this Declaration.

K. "Record Of Survey" means the maps of Windmill Ranch Phase Two and Windmill Mountain Ranches recorded in the office of the Mohave County Recorder in Mohave County, Arizona and all amendments, supplements and corrections thereto and any subdivision map recorded against any supplements and corrections thereto.

2. PROPERTY OWNERS’ ASSOCIATION

A. The purpose of the Association is: (1) to maintain and improve (a) the roadways, gates,

fences and roadway drainage facilities within the Property, (b) any wells and their appurtenances designated as common area, and (c) any other common areas benefiting the Property and designated for maintenance by the Association; (2) to maintain and improve roadways on land not within the Property that lie within public or private easements, but only if such roadways provide access to the Property from highways and roads maintained by public funds; (3) to enforce this Declaration; and (4) to further the best interests of the Owners. Nothing stated in subpart 2.A(2) shall be construed to require the Association to maintain the roadways described in that subpart.

B. Each and every Owner, in accepting a deed or contract for any Parcel, whether or not it shall be so expressed in such deed or contract, automatically becomes a member of the Association, and agrees to be bound by such reasonable rules and regulations as may, from time to time, be established by the Association. Membership shall be appurtenant and may not be separated from ownership of the Parcel. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer of ownership of such Parcel, whether by intestate succession, testamentary disposition, foreclosure of a deed of trust or a mortgage, or such other legal processes as are now in effect or as may be hereafter established pursuant to the laws of the State of Arizona. The Association shall be operated and conducted on a strictly cooperative and non-profit basis. Each Owner shall have such voting rights as set forth in this Declaration.

C. The Association shall take necessary and appropriate action for the maintenance, repair, replacement, and management of the facilities referred to in subpart 2.A(1) above, and shall have the right to enter upon a Parcel, if reasonably necessary, in order to take such action. The Association may also take such action as the Association deems appropriate to fulfill its duties referred to in subparts 2.A(3) and 2.A(4) or to maintain or repair the facilities referred to in subpart 2.A(2) above.

D. The Association shall have the power to borrow and encumber its assets and, in all respects, shall have the powers set forth herein, including the power to enter into contracts with third parties to perform all or part of its functions, and to hire its own employees to do so. The Association shall have the power to obtain appropriate insurance, to create and maintain reserves, and to issue rules and regulations.

E. Each Owner is obligated to pay: (1) regular assessments for normal maintenance and repair and reserves, as well as Association insurance and operating costs; (2) special assessments for capital improvements, with such assessments to be established by the Association. The regular and any special assessments, late payment penalties and charges, if any, together with interest, all as set by the Association, and costs and reasonable attorney's fees shall be a lien on the Parcel. Each Owner shall be personally responsible for his or her share of assessments imposed by the Association. This personal obligation or delinquent assessments shall not pass to the Owner's successor; PROVIDED, HOWEVER, the obligation to pay the same shall be a continuing lien on the Parcel, excepting for the provisions of Paragraph 2.L below, relating to deed of trust beneficiaries and to realty mortgagees.

F. The Association shall, on an annual basis, make a determination of the estimated costs of the repair and maintenance of the roadways and any other designated common areas as shown on the Record of Survey or otherwise so designated, including any reserves necessary for future capital expenditures and maintenance. The assessments for all Parcels will be the same in any given year, without regard to the amount of acreage in each Parcel, so that assessments shall be charged to each Owner on a uniform flat fee basis per Parcel owned. The assessments will be collected on an annual basis. The Association shall prepare an annual budget and also an annual accounting of monies received and disbursed. Any amounts collected by the Association which are not expended during any fiscal year shall be carried over to the subsequent year and/or maintained as reserves by the Association. Any budget surplus carried over to a subsequent year shall not have the effect of lowering the subsequent year's annual assessment. Nothing in this provision shall limit the Association's authority to set the amount of the regular assessment.

G. Each Owner shall be responsible to pay the regular assessment which will be assessed as of the date of recording of the deed or purchase contract wherein the Owner acquired legal, beneficial, or equitable title to the Parcel. The Owner acquiring his or her interest during the calendar year shall be obligated for a pro rata portion of the assessment. The Association shall not be responsible for comparable assessments on each Parcel owned by it. Regular assessments shall be fixed by the Association on an annual calendar year basis. Any division of an original Parcel shall be considered a separate Parcel subject to a separate assessment and entitled to a separate vote in the Association (as set forth in Paragraph 2.J). If an original Parcel is divided in

accordance with this Declaration, then each newly created Parcel shall be assessed the pro rated amount of the assessment for all other Parcels in the Property (regardless of Parcel size) at the time of the division and will become subject to all the terms and conditions stated in this Declaration. In each year following the year of the division, the newly created Parcel shall be assessed the full amount assessed all other Parcels in the Property. The Association shall fix the amount of the regular assessment at least thirty (30) days prior to the end of the calendar year. Written notice of the assessment shall be sent to every Owner. The payment due date shall be established by the Association.

H. In addition to the regular assessment as set forth above, the Association may set special assessments if the Association determines, by a special balloting of the Association's members, that such is necessary to meet the purposes of the Association. Approval of any special assessment requires at least a two-thirds (2/3) affirmative vote of members where the number of votes cast at a minimum constitutes fifty percent (50%) of the Ownership. Any special assessments shall be charged on a uniform per Parcel basis.

I. All sums assessed by the Association chargeable to a Parcel, but unpaid, shall constitute a lien on such Parcel prior to all other liens excepting only ad valorem liens in favor of a governmental assessing unit or special assessment district. The Association lien may be foreclosed by the Association in the manner of a foreclosure of a real property Deed of Trust or realty mortgage. The Association shall have the power to bid on the mortgage. The Association shall have the power to bid on the delinquent Parcel at a foreclosure sale, and acquire, hold, lease, encumber and convey the same. A suit to recover a money judgment for unpaid assessments and charges shall be maintainable by the Association without foreclosing or waiving the lien securing the same.

J. The total number of membership votes in the Association shall be on the basis of four (4) votes per original Owner per Parcel owned. The Association shall also have four (4) votes for each such Parcel it owns. Whenever a Parcel is legally divided in accordance with this Declaration, the four (4) votes originally available to the original Parcel shall be reallocated as follows: (1) if the original Parcel has been divided into two (2) Parcels, each Parcel shall be allocated two (2) votes, unless one of the resultant Parcels is **at least 30 acres in area for a Project "A" Parcel, or at least 120 acres in area for a Project "B" Parcel**, in which event the larger Parcel shall be allocated three (3) votes and the smaller Parcel shall be allocated one (1)

vote; (2) if the original Parcel has been divided into three (3) Parcels, the largest Parcel shall be allocated two (2) votes and the remaining Parcels shall be allocated one (1) vote each; and (3) if the original Parcel has been divided into four (4) Parcels, each Parcel shall be allocated one (1) vote. The total number of Parcels and therefore the total number of votes may also be increased from time to time by annexation of Additional Property, pursuant to Paragraph 3 of this Declaration, as evidenced by a Declaration of Annexation executed and recorded by the Association and incorporating this Declaration. If more than one party is the Owner of a Parcel, there must be unanimous agreement among those who own an interest, otherwise the vote(s) attributable to that Parcel shall not be counted.

K. The Board of Directors shall have the power to adopt Bylaws and to appoint its officers and directors, as well as promulgate reasonable rules and regulations relating to the matters within its purpose. The Board of Directors is elected annually by the Association's membership (see Paragraph 6.B). **The Board of Directors may appoint a director to fill a vacancy, as provided for in the Bylaws.**

L. Where the holder of a Bona Fide First Deed of Trust obtains title to the Parcel as a result of a trustee's sale, or deed in lieu of foreclosure of said Bona Fide First Deed of Trust, such acquirer of title, its successors, and/or assigns shall not be liable for the share of the expenses of the assessments by the Association chargeable to such Parcel which became due prior to the acquisition of title to such Parcel by such acquirer. Such acquirer shall be responsible, as any Owner, for assessments charged subsequent to the acquisition.

M. In the event the Association determines that any Owner has not complied with the provisions of this Declaration, then the Association may, at its option, give written notice to the Owner of the conditions complained of. The Owner shall correct same or, if not readily correctable within fifteen (15) days after notice from the Association, the Owner shall submit corrective plans proposing a remedy to the condition complained of within fifteen (15) days after notice from the Association. The Association shall approve or disapprove any plans submitted by the Owner and set forth a reasonable time for correction of the condition complained of. In the event such condition is not corrected according to the approved plans, within the allotted time, the Association shall have the right to remedy such condition or violation complained of. The costs thereof shall be deemed to be an assessment to such Owner and enforceable by the

Association as any other unpaid assessment. Such costs shall include labor and materials required for the correction of the condition complained of and all legal fees, interest, and costs as specified in Paragraph 7.C. The Association is hereby granted the right of entry on the affected Parcel to correct the condition or violation complained of.

3. ANNEXATION OF ADDITIONAL PROPERTY

A. The Association, its successors, and designees reserve all present and future rights to utilize all private roads and easements within the Property to develop lands comparably within or adjacent to the Property. Any such expansion to be included within this Declaration shall be subject to the terms and conditions of this Declaration, but may include reasonable variances.

B. At any time the Association shall have the right to annex and subject to this Declaration all or any portion of the Additional Property without the consent of any Owner or person. The annexation of all or any portion of the Additional Property shall require a Declaration of Annexation stating that such portion of the Additional Property is annexed and will be a common area or any other area which will be maintained by the Association. Unless a later effective date is set forth in the Declaration of Annexation, the annexation shall become effective upon the recording of the Declaration of Annexation. A Declaration of Annexation for Additional Property being annexed in separate phases shall provide for a separate effective date with respect to each phase. If the Association should find it necessary to divide an annexed portion of Additional Property into phases or units, the Association shall have the right to amend the previously recorded Declaration of Annexation to change the description of the phases or units within the annexed property, except that the Association may not change any unit in which a Parcel has been conveyed to an Owner. The voting rights of the Owners of any Parcels annexed pursuant to this section shall be effective as of the date the Declaration of Annexation annexing such Parcels is recorded. The Owners of any Parcels annexed are obligated to pay assessments in accordance with Paragraph 2 of this Declaration.

C. The Association makes no assurances as to the exact number of Parcels that will be added to the Property by annexation or if all or any portion of the Additional Property will be annexed.

D. The Additional Property may be annexed as a whole at one time or in one or more portions at different times, or it may never be annexed. There are no restrictions on the order of annexation of the portions of Additional Property and there are no specific requirements for limiting the boundaries of such portions. Any property annexed by the Association pursuant to this Paragraph 3 need not be contiguous with the Property. The exercise of the right of annexation of any portion of the Additional Property shall not restrict the further exercise of the right of annexation of any other portion of the Additional Property.

4. DE-ANNEXATION

Notwithstanding any other provision of this Declaration, the Association shall have the right, from time to time, at its sole option, and without the consent of any Owner or person, to delete from the Property, and thereby remove from the effect of this Declaration, one or more portions of the Property, in accordance with the following provisions: (a) if the portion of the Property to be removed and deleted is owned by the Association, the Association shall execute and record an instrument which identifies the portion of the Property to be deleted and removed; (b) if the portion of the Property to be removed and deleted is owned by an Owner other than the Association, and both the Owner and the Association agree to the de-annexation, the Owner and the Association shall execute and record an instrument which identifies the Owner's portion of the Property to be deleted and removed; and (c) any deletion and removal of a portion of the Property shall not deprive Owners of other parts of the Property of easements or rights-of-way necessary to the continued use of their respective parts of the Property (unless the Association at the same time provides for reasonably adequate replacement easements or rights-of-way). The deletion and removal of any portion of the Property shall be effective upon the date the instrument is recorded, whereupon, the portion of the Property deleted and removed shall thereafter for all purposes be deemed not a part of the Property. No deletion and removal of a portion of the Property shall act to release the portion from the lien for assessments or other charges hereunder which have accrued prior to the effective date of the deletion and removal, but all such assessments or other charges shall be appropriately prorated to the effective date of the deletion and removal. Each portion of the Property deleted and removed pursuant hereto shall thereafter be deemed to be a part of the Additional Property unless otherwise expressed to the contrary in the instrument recorded to effect the deletion and removal.

5. GENERAL RESTRICTIONS APPLICABLE TO ALL PARCELS

A. Single Family Residential and Recreational Use Only All Parcels shall be used for residential and recreational purposes only, with the exception that commercial businesses may be conducted on Parcels 1, 2, 4, 7, 8, 11, 12, 16, 17, 22, 23, 33, 38, 40, 44, 45, 46, and 49 of Windmill Ranch Phase Two, which are all fronting along Highway 93. Parcels fronting Highway 93 are not currently zoned for business use and will require re-zoning and approval for such use by Mohave County, Arizona. The residential and recreational use restriction shall not prohibit a home office in a residential property where business is conducted through telephone, computer, or other electronic means and where the business is not apparent from the exterior of the residence, does not create noise or congestion from traffic or parking, and preserves the residential nature of the Property. Livestock may be kept pursuant to Paragraph 5.K. All uses shall be in compliance with Mohave County zoning regulations and permitted uses.

B. Dwellings All dwelling structures may not be more than two stories in height. The finished exterior of the dwelling shall be in harmony with its natural surroundings. No mobile or manufactured homes older than 10 years from date of manufacture may be installed on a Parcel. All mobile and manufactured homes must be skirted with wheels removed so that the frame is not exposed. The ground around any mobile or manufactured home shall be graded to direct water to flow away from the home.

C. Travel Trailers and RV's No travel trailer or recreational vehicle may be used as a permanent residence on any Parcel. One (1) travel trailer or recreational vehicle may be used for temporary residential use only if the use extends for not more than three (3) consecutive months and is for no more than a total of six (6) months in any calendar year; however, an exemption will be granted to an occupant who is diligently proceeding to construct a permanent residence upon the Parcel. These restrictions shall be superceded by Mohave County law where the Mohave County laws are more stringent.

D. Sanitary Facilities All dwellings and/or living quarters shall be either self-contained for waste or connected to a septic system, waterless toilet, or other alternative system which shall be

approved by the appropriate governmental agency.

E. Additional Subdivisions After its initial conveyance, each Parcel may be subdivided three times, *provided rezoning and approval by Mohave County is granted*, creating a maximum of four (4) parcels. **Project "A" Parcels**, upon County approval, must have a Parcel size of no less than ten (10) acres each. **Project "B" Parcels**, upon County approval, must have a Parcel size of no less than thirty-six (36) acres. Any splitting of the original Parcel shall be in strict accordance with all applicable laws and is the sole responsibility of the Owner.

F. No Medical Facilities Hospitals, clinics, and other facilities for the treatment or care of the physically or mentally ill or disabled are prohibited. Facilities for the treatment or care of animals are also prohibited.

G. Churches and Clubs Churches or other institutions organized for religious worship or discussion are prohibited, as are buildings used primarily as clubhouses or meeting facilities.

H. Vehicles Any motor vehicle under repair or inoperable may not be parked on any roadway, driveway, or easement. When such vehicles are parked on a Parcel, they must be hidden by walls, fences, screens, or foliage, so that the vehicles are not visible from roadways or other Parcels. All vehicles, engines, or motors must be operated with a muffler and/or spark arrestor.

I. Trash No Parcel may be used for temporary or permanent storage of rubbish or trash. No rubbish or trash may be kept on any Parcel except in covered containers and it must be screened from view from adjacent Parcels.

J. Junkyards, Auto Repair, Second-Hand Business, and Material Storage No auto repair or second-hand businesses, and no junkyards or any commercial uses that create a negative visual impact, excessive noise, or congestion from traffic or parking shall be conducted on any Parcel. No trucks, cars, buses, machinery, equipment, or building materials shall be stored on any Parcel unless enclosed in a proper structure so as to not be visible from an adjoining Parcel or any roadway.

K. Livestock No swine shall be raised, bred, or kept on any Parcel. A Parcel may be used for

ranching, including the use and keeping of a reasonable number of horses and cattle, provided the Parcel has been fenced in accordance with the fencing guidelines and setbacks set forth in Paragraphs 5.N (“Structure Setbacks”) and 5.S (“Fencing Setbacks”). Under no circumstances shall a stockyard, dairy, riding stable, kennel, poultry farm, or any other commercial activity involving animals be permitted.

L. Nuisance Activities The unreasonable, prolonged, or indiscriminate creation of noise, dust, fumes, odors, or any other offensive activity is prohibited, including, but not limited to, gunfire, road racing, and loud music.

M. Signs 1) No signs are permitted on Parcels restricted to single family residential and recreational uses, except for signs not exceeding four (4) square feet that identify the address and/or the Owner of the Parcel, and ‘For Sale’ or ‘For Rent’ signs not exceeding six (6) square feet that are neatly painted and maintained. 2) Signs on Parcels permitting commercial business shall be in strict accordance with the laws, ordinances, and regulations of Mohave County, Arizona. 3) None of the sign restrictions in this Declaration apply to signs providing location, direction, street names, safety information, or warning (including legal warning).

N. Structure Setbacks All structures shall be built at least fifty (50) feet from the front, rear, and sides of Parcel boundary. If local governmental regulations provide for more restrictive setbacks, those regulations shall apply. Any construction on a Parcel shall comply with all applicable Mohave County building regulations. Any fence constructed on a Parcel shall not be closer than thirty (30) feet from any Parcel line for the purpose of allowing ingress, egress, grazing, and utility line construction, maintenance, and use.

O. Easements No structure including fencing shall be constructed on the recorded easements as they are shown on the Record of Survey. However, cattle guards may be used. Owners will provide access to easements whenever requested by utility companies.

P. Association’s Exemption Nothing herein shall be construed as prohibiting the Association from engaging in activities which the Association deems appropriate to its purpose as specified in Paragraph 2.A of this Declaration.

Q. Mineral Rights In no event shall any Owner use or cause to be used any portion of the Property, including his or her own Parcel, for the purposes of drilling, exploring, mining, or otherwise developing any deposits of oil, minerals, or other natural resources lying above, on, or under said Property, with the exception of such drilling and exploration by the Owner as may be necessary to produce an adequate water supply for the development of his or her Parcel.

R. Grazing Rights The grazing rights to the Property are held by the owner of the grazing rights and/or his/her/its assignees (“Lessee”) and any transferees or assignees therefrom and are reserved from all Parcels for the exclusive use thereof, until such time as Owner fences out and excludes livestock from grazing on Owner's Parcel, at which time the reserved grazing rights to that Owner's Parcel shall be deemed terminated.

S. Fencing Setbacks Any Owner may fence off all or any part of his/her Parcel in order to restrict horses and other livestock from crossing or grazing on Owner’s Parcel. Construction of fence must be adequate to help keep off livestock and fence shall be maintained by Owner. All fencing must be set back thirty (30) feet from Parcel lines and may not encroach upon any easement referred to on the Record of Survey and/or this Declaration. Any fence constructed inside of the thirty-foot (30') easement will be required to be moved at the Owner's expense within fifteen (15) days of notification by the Association. In the event Owner does not relocate fence within the fifteen day period, the Association may either enter onto the Parcel and relocate the fence and charge the Owner for costs of labor and materials required for the fence relocation, or cause a lawsuit to be commenced and maintained to enforce this provision of the Declaration. At his/her expense, Owner shall have the right to move any existing fence which goes through Owner’s Parcel, provided said fence is moved in accordance with the requirements of this Paragraph and is reconnected and maintained so that there is no gap in the overall fencing. Any fences moved and/or installed by Owner shall be at Owner’s sole expense. The minimal fencing construction requirements are as follows: 1) with posts not more than 15 feet apart; 2) not less than three stays between posts; 3) with four continuous strands of barbed wire; and 4) fencing is adequate to contain horses and other livestock, in accordance with normal ranching standards.

T. Environmental Protection The beauty of the Property is in the mixture of trees and open space. Trees are defined as having a trunk diameter of six inches or more and measuring two feet or more above ground level. Trees may only be cut if they are dead or dying, or if their removal

is required to clear for building sites or access roads, or to enable installation of utilities, view corridors, or recreational open space. In any event, not more than twenty percent (20%) of any one Parcel may be cut or cleared.

U. **Waiver** The Association shall have the right to allow variances where strict enforcement of these restrictions would cause undue hardship.

6. THE ANNUAL ELECTION FOR THE ASSOCIATION'S BOARD OF DIRECTORS

A. The Board of Directors shall conduct all affairs of the Association.

B. The Board of Directors shall call an annual meeting of Owners. One of the meeting's purposes shall be to elect a Board of Directors, consisting exclusively of Owners who are Members in Good Standing. At the meeting, the Association's membership shall elect the Board of Directors of the Association by a plurality of the votes cast. Thereafter, all affairs of the Association shall be conducted by the new Board of Directors and such Officers that the Board may elect or appoint in accordance with the Articles and Bylaws, as they may be amended from time to time.

C. In the event that an election results in an equal number of votes for candidates, a game of chance shall decide the winner. The candidate who wins the game of chance shall be considered as having received a plurality of the votes cast by the Owners.

D. In order to hold any office or be eligible to vote on any matter presented to the Association's membership, an Owner must have paid in full all outstanding amounts owed to the Association (including annual assessments, special assessments, late payment penalties, interest, costs (including expenses of labor and materials), court-awarded damages, legal fees, and attorney's fees) and be in compliance with all provisions of this Declaration and all rules and regulations of the Association.

7. GENERAL PROVISIONS

A. Enforcement The covenants, conditions, and restrictions contained in this Declaration shall run with the land and shall be binding upon and effective against all persons owning (including owners acquiring title by foreclosure), leasing, subleasing, or occupying any Parcel after the date the original Declaration was recorded in the Office of the Recorder of Mohave County, Arizona. This Declaration may be enforced by the Association, by any Owner, by the holder of a Bona Fide First Deed of Trust on any Parcel, or by two or more of said parties acting jointly, provided, however, that any such action shall not defeat or impair a lien as described in A.R.S. 33-1807 (B), but the covenants, conditions, and restrictions shall be binding upon and effective against any Owner or occupant of a Parcel whose title thereto is acquired by foreclosure, or otherwise. Any breach of the covenants, conditions, and restrictions may be enjoined, abated, or remedied by appropriate proceedings, notwithstanding the existence of the lien on any Parcel. All instruments of conveyance or assignment of any interest in any Parcel, or any portion thereof, shall be subject to all of the covenants, conditions, and restrictions set forth in the Declaration as if fully stated in the instruments. **The right of the Association to remedy any violation of the Declaration, or to initiate appropriate proceedings seeking to enjoin, abate, or remedy any violation, or to recover damages for any violation, is discretionary and not obligatory, and may be exercised or not, at the Association's sole discretion.**

B. Invalidity Invalidation of any of the covenants, conditions, and restrictions contained herein by a Court of competent jurisdiction shall in no way affect the validity of any other provisions of this Declaration, which shall remain in full force and effect.

C. Legal Fees and Costs The Board of Directors may cause a lawsuit to be commenced and maintained in the name of the Association against an Owner to enforce the payment of any delinquent assessment and/or to enforce any other provision of this Declaration, or any rule or regulation of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, interest at the rate of twelve percent (12%) per annum from the date of delinquency, the amount of damages proven, any appropriate order or mandate of the Court, court fees, and reasonable attorney's fees which are incurred by the prevailing party as fixed by the Court.

D. Amendments This Declaration may be amended by an instrument which has been approved

by at least a two-thirds (2/3) affirmative vote of Association members eligible to vote, so long as the number of votes cast at a minimum constitutes a quorum of twenty-five percent (25%) of the Ownership. Such amendment shall be recorded in the Office of the Mohave County Recorder and become effective immediately thereafter. The Board of Directors may amend this Declaration without approval of the Owners to correct any clerical errors or grammatical inconsistencies, to make technical revisions, or to comply with any law or regulation.

E. Term This Declaration may hereafter be amended in accordance with the terms of Paragraph 7.D, and shall remain in full force and effect for a term of twenty (20) years from the date of recording of the original Declaration. The Declaration shall be extended automatically for successive periods of ten (10) years each, unless terminated or amended by an instrument approved by the Owners with a two-thirds (2/3) majority vote, as defined in Paragraph 7.D of this Declaration. Such termination or amendment shall be recorded in the Office of the Mohave County Recorder.

EXECUTED this _____ day of November, 2003

WINDMILL MOUNTAIN RANCHES PROPERTY OWNERS' ASSOCIATION, INC.

By: _____
Its President

Attested By: _____
Its Secretary

This instrument was acknowledged before me this _____ day of _____, 2003
by _____, as President of Windmill Mountain Ranches Property Owners'
Association, Inc.

Notary _____

My Commission expires:

This instrument was acknowledged before me this _____ day of _____, 2003 by _____, as Secretary of Windmill Mountain Ranches Property Owners' Association, Inc.

Notary_____

My Commission expires:

EXHIBIT "A"

PARCELS 1&2 INCLUSIVE, 4-19 INCLUSIVE AND 21-49 INCLUSIVE ALL LYING EASTERLY OF HIGHWAY 93 IN PORTIONS OF SECTIONS 4, 9, 16, 21, 28 AND THE WEST HALF OF SECTION 15, IN TOWNSHIP 19 NORTH, RANGE 13 WEST OF THE GILA AND SALT RIVER MERIDIAN; IN THE RECORD OF SURVEY RECORDED IN THE OFFICE OF THE MOHAVE COUNTY RECORDER IN MOHAVE COUNTY, ARIZONA RECORD OF SURVEY @ FEE # 98-69208.

PARCELS 50-63 INCLUSIVE ALL LYING EASTERLY OF HIGHWAY 93 IN SECTION 3, OF TOWNSHIP 19 NORTH, RANGE 13 WEST OF THE GILA AND SALT RIVER MERIDIAN; IN THE RECORD OF SURVEY RECORDED IN THE OFFICE OF THE

MOHAVE COUNTY RECORDER IN MOHAVE COUNTY, ARIZONA RECORD OF SURVEY @ FEE # 99-12811.

PARCELS 64-100 INCLUSIVE IN SECTIONS 1, 11, AND 13 OF TOWNSHIP 19 NORTH, RANGE 13 WEST OF THE GILA AND SALT RIVER MERIDIAN; IN THE RECORD OF SURVEY RECORDED IN THE OFFICE OF THE MOHAVE COUNTY RECORDER IN MOHAVE COUNTY, ARIZONA RECORD OF SURVEY @ FEE # 99-41353.

PARCELS 100-197 INCLUSIVE IN SECTIONS 1, 3, 5, 7, 9, 11, 15, AND THE WEST HALF (W1/2) OF SECTION 19 OF TOWNSHIP 19 NORTH, RANGE 12 WEST OF THE GILA AND SALT RIVER MERIDIAN; IN THE RECORD OF SURVEY RECORDED IN THE OFFICE OF THE MOHAVE COUNTY RECORDER IN MOHAVE COUNTY, ARIZONA RECORD OF SURVEY @ FEE # 99-41353.

SECTIONS 17, 29, 31 AND 33. THE SOUTH HALF OF THE NORTHEAST QUARTER (S1/2 NE1/4); THE SOUTHEAST QUARTER (SE1/4); AND THE WEST HALF (W1/2) OF SECTION 13; ALL IN TOWNSHIP 19 NORTH, RANGE 12 WEST OF THE GILA AND SALT RIVER MERIDIAN IN MOHAVE COUNTY, ARIZONA.

SECTIONS 25, 27, 35. THE EAST HALF (E1/2) OF SECTION 23; ALL IN TOWNSHIP 19 NORTH, RANGE 13 WEST OF THE GILA AND SALT RIVER MERIDIAN IN MOHAVE COUNTY, ARIZONA.