DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

DEERHAVEN RANCHES

THIS DECLARATIONS, made this 6th day of January, 198 1, by STEWART TITLE & TRUST COMPANY, a Corporation, as Trustee under Trust No. 2265, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS the Declarant is the owner of certain real property in the County of Cochise, State of Arizona, described as follows:

SEE "EXHIBIT A" ATTACHED HERETO,
WHICH EXHIBIT IS BY REFERENCE
INCORPORATED AND MADE A PART HEREOF;

and,

WHEREAS Declarant proposes to sell the property referred to in "EXHIBIT A" in units of approximately forth (40) acres each, subject to the covenants, restrictions, uses and limitations hereinafter set forth, each of which is for the benefit of the Declarant and all subsequent owners thereof;

NOW THEREFORE, Declarant hereby declares that the property is and shall be held, conveyed, encumbered, leased and used subject to the following covenants, conditions, restrictions, uses and limitations, all of which are for the purpose of enhancing and protecting the value and use of the property. The covenants, conditions, restrictions, uses and limitations, and obligations shall run with the property and shall be

See disclosure attached hereto and made a part hereof.

Continued -2-

binding upon all persons having or acquiring any interest in the property or any part thereof, and shall inure to the benefit of and be binding upon the Declarant, it successors in interest and by any owner or his, her or its successors in interest or any entity having an interest in their enforcement.

No provisions contained herein shall be construed to prevent or limit Declarant's right to complete the development of the property and construction of improvements thereon nor Declarant's right to maintain sales or leasing offices or similar facilities on the property, nor Declarant's right to post signs incidental to construction, sales or leasing, nor Declarant's right to do anything that it may, in its sole discretion, deem necessary and proper for the full development of the property.

ARTICLE I

GENERAL RESTRICTIONS

The property referred to in "EXHIBIT A", attached hereto, shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1.01. If any owner uses the property for agricultural purposes, it may only be irrigated through drip, trickle, sprinklers or similar types of method. This restriction is to conserve the natural resources of water. Any other method of irrigation including, but not limited to, flood and furrow irrigation is prohibited.

Section 1.02. No owner shall grow cotton or other agricultural products on the property which leaves a deposit of verticillium wilt in the soil.

DRT 1477 PAGE 90

Section 1.03. No rubbish or debris of any kind shall be placed

Contineud -3-

or permitted to accumulate upon any property within the development as set forth on "EXHIBIT A", attached hereto, and no odor shall be permitted to arise therefrom so as to render any such property or any portion thereof of unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof, or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon such property so as to be offensive or detrimental to any adjoining property owner. The keeping or raising of hogs is prohibited.

Section 1.04. No unsightly articles shall be permitted to remain so as to be visible to any other property which adjoins same. No inoperable motor vehicles shall be stored on property, unless fully enclosed in a garage or barn.

Section 1.05. Building Restrictions. Homes are to be constructed of masonary, stucco frame, or new wood construction and must be no less than (1,000) one thousand square feet in size.
Mobile homes are expressly prohibited from the property except as temporary housing during construction. The meximum time limit for such use is (2) two years. All homes, outbuildings, corrals or structures must be approved by the Architectural Committee in writing, prior to construction.

Section 1.06. Fences. All new fences are to be built to State specification.

Continued -4-

Section 1.07. Trailers and Campers. Travel trailers and campers may be used for a period of (2) two weeks only.

Section 1.08 Architectural Committee. The Architectural Committee or Deerhaven Ranches will consist of the Sub-dividers until (90%) ninety percent of the property has been sold, at which time they will turn it over to an Architectural Committee made up of three to six resident owners.

ARTICLE II

GENERAL PROVISIONS

Section 2.01. Term. The covenants, conditions and restrictions of this Declaration shall remain in full force and effect for a period of (25) twenty-five years from the date this Declaration is recorded. Thereafter they shall be deemed to be renewed and automatically extended for successive periods of (10) ten years each.

Section 2.02. Amendment. This Declaration shall be amended by an instrument in writing and acknowledged by the then owners of not less than the majority of the owners of the property, referred to in "EXHIBIT A attached hereto. Such amendment shall be effective upon its recording with the Cochise County Recorder. Notwithstanding the preceding sentence, Declarant, or in the event said Trust is terminated, then Sub-dividers shall, from the date thereof and thereafter for a period of (3) three years, after (90%) ninety percent of the entire property referred to in "EXHIBIT A" has been sold by Declarant, may amend, at their discretion, these restrictions. Except as provided herein, the majority of the third parties have the absolute right to amend these

Continued -5-

Declarations by recordation of such amendments with the Cochise County Recorder.

Section 2.03. Enforcement and Non-Waiver.

(A) Enforcement. Any owner shall have the right to enforce by any legal proceeding or inequity, all restrictions, conditions, covenants, reservations imposed by the provisions of this Declaration.

(B) Violation of Law. Each and every provision of this Declaration and any amendment hereto shall be subject to all State of Arizona and Cochise County ordinances and any subdivision regulations and any future amendments thereto. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property is hereby declared to be in violation of these restrictions and subject to any and all the enforcement procedures permitted by law.

(C) Remedies Accumulative. Each remedy provided by these restrictions is accumulative and not exclusive.

(D) Non-waiver of failure by Declarant or by any owner to enforce any of the provisions of these restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of these restrictions.

Section 2.04. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat and render invalid the rights of the beneficiary under the trust or mortgage upon a dwelling unit constructed upon any property made in good faith and value and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such deed of trust or mortgage such property foreclosed or sold under a deed of sale shall remain subject to this Declaration, as amended.

Continued -6-

Section 2.05. Construction.

(A) Interpretation. The provisions of this Declaration shall be liberally constructed to affect the purpose of creating a uniform plan for the development and operation of the property referred to in "EXHIBIT A" This Declaration shall be construed and governed by the laws of the State of Arizona.

(B) Restrictions Separable. Notwithstanding the provisions of the foregoing Paragraph (A), each of the provisions of this Declaration shall be deemed independent and separable, and the invalidity or partial invalidity of any provision or portion thereof shall not effect the validity or enforceability of any other provision.

(C) Rule Against Perpetuities. In the event the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which same shall be effective, then in that event said period of time shall be reduced to the period of time which shall not violate the rule against perpetuities as set forth in the laws of the State of Arizona.

(D) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural to singular; and the masculine, feminine or neuter shall each include the masculine, femine and neuter.

(E) Captions. All captions and titles used in this Declaration are intended solely for convenience and reference purposes only and in no way define, limit or describe the true intent and meaning of the provisions hereof.

Section 2.06. Binding Effect. By the acceptance of the deed or acquiring any ownership interest in the property included within this Declaration, each person or entity, for himself/herself or itself,

 Continued -7-

his/her heirs, personal representatives, successors, transferees and assigns, binding himself/herself, his/her heirs, personal representatives, successors, transferees and assigns, to all the provisions, covenants, conditions, rules and regulations, now or hereafter imposed by this Declaration and amendments thereof. In addition, each such person by doing so thereby acknowledged that this Declaration sets for a general scheme for the property covered thereby and hereby evidences his/her interest that all the restrictions, conditions and covenants contained herein shall run with the land and be binding upon all subsequent and future owners, grantees, purchasers, assignees, and transferees thereof.

Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future owners.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day, month and year first above written.

STEWART TITLE & TRUST COMPANY OF TUCSON,
an Arizona Corporation, as Trustee under
Trust No. 2265

By Timothy P. King
Assistant Trust Officer

USLIFE Title Company of Arizona
P. O. Box 2609
Sierra Vista, Az. 85635

COCHISE COUNTY RECORDER 1881

STATE OF ARIZONA] SS.
COUNTY OF COCHISE]

WITNESS MY HAND AND OFFICIAL SEAL
CHRISTINE RHODES, COUNTY RECORDER

DEPUTY

INDEXED | PHOTOSTAT COMPARED | PLOTTED

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED AND RECORDED AT REQUEST OF:

FEE $ 12.50
DRAFT ____
DATE JAN 8 '81 2 00 PM
DOCKET 1477 PAGE 89 NO 511
112

DKT 1477 PAGE 95

STATE OF ARIZONA)
)
COUNTY OF)

SUBSCRIBED AND SWORN to before me this 6th day of January, 1981, by Timothy R. King, as Assistant Trust Officer of Stewart Title and Trust Company of Tucson, an Arizona Corporation, as Trustee under Trust No. 2265.

Lucia M. Mercer
Notary Public

My Commission Expires:

10-29-83

APR 7 - 1989 2 PM
5.00

E
2

When recorded, return to:
Larry A. Woodcock, President
Deerhaven Ranches Property Owners Association
HCR#20, Box#8
Pearce, AZ 85625

April 7, 1989

AMENDMENT TO DECLARATION OF
COVENANT, CONDITIONS, AND RESTRICTIONS
OF DEERHAVEN RANCHES

This amendment is executed this 7th day of April, 1989 by the Deerhaven Ranches Property Owners Association under Article II Section 2.02, as a "majority of the third parties" page 92 & 93 Docket 1477.

WITNESSETH:

SECTIONS 1.01,1.02,1.05,1.07,and 2.02of article 1, General Restrictions, as set forth in the original Declaration shall, from date of this Amendment and henceforth, be deleted in their entirety, and the following substituted thencefor:

Section 1.01

"If any owner uses the property for agricultural purposes, it may only be irrigated by drip, trickle, sprinkler or similar method. Any other method of irrigation including, but not limited to, flood or furrow irrigation is prohibited. No owner shall grow cotton or other agricultural products on the property which leaves a deposit of verticulum in the soil."

Section 1.02

"No zoning changes shall be made without the prior written approval of the majority of the property owners or their designated representatives. Prior to the issuance of a license to conduct any business on any property located in Deerhaven Ranches, the property owners shall be advised of the nature of the business to be conducted, and approval by a majority of the property owners must be granted in writing.

Section 1.05-Building Restrictions

"Homes are to be constructed of masonry, stucco frame,or new wood, and be not less than one-thousand (1000) square feet interior size. Double-wide manufactured or modular homes of not less than one-thousand (1000) square feet interior size and affixed to a permanent foundation with all transporting parts removed are approved as permanent structures. Architectural design of the aforementioned manufactured or modular homes must include the following: a shingle roof with a minimum six (6) inch overhang on all sides. Wood or wood composition siding. All structures, including but not limited to, homes, outbuildings, corrals, mobile or modular homes, etc. must be approved in writing by the Deerhaven Ranches Property Owners Association prior to placement or construction."

890406926

890406926
DEERHAVEN PROPERTY OWNERS
HCR #20 BOX 8
PEARCE , AZ. 85625

Section 1.07

"Mobile homes, travel trailers, campers, and similar housing are expressly prohibited from Deerhaven Ranches properties except as temporary housing during construction of a permanent housing structure. The maximum time limit for the above exception is two (2) years from the time the temporary housing is placed on the property. During this period of time there must be progressive evidence of construction on the permanent housing structure. This does not prohibit property owners from parking their recreational vehicles, campers, motor homes or travel trailers on their property when not in use, providing home construction has been completed in accordance with Section 1.05.

Section2.02

"This declaration shall only be amended by an instrument acknowledged in writing by a majority of the then property owners, or their designated representatives, of the properties collectively known as Deerhaven Ranches subdivision. Such amendment shall be effective upon its' recording with the Cochise County Recorder. Notwithstanding the preceeding sentence, the Declarant shall make no amendments unless instructed to do so in writing by a majority of the then property owners or their designated representatives. In the event the trust is terminated, then the majority of the property owners, or their designated representatives, shall become the Declarant.

Larry A. Woodcock

State of Az County of Cochise

Subscribed and sworn to before me this 7th day of April, 1989.

by Larry A. Woodcock

My commission expires Oct 15, 1991

Notary Public

FEE # 890406926
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
04/07/89 2
REQUEST OF
DEERHAVEN PROPERTY OWNERS
CHRISTINE RHODES-RECORDER
FEE : 9.00 PAGES : 2

890406926

AUG 28 1995 12h

FEE # 950821147
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
8/28/95 12
REQUEST OF
WOODCOCK, LARRY
CHRISTINE RHODES-RECORDER
FEE : 10.00 PAGES : 1

WHEN RECORDED

When recorded return to:
LARRY WOODCOCK, PRESIDENT,
DEERHAVEN PROPERTY OWNERS ASSN.
PEARCE, AZ 85625

AMENDMENT TO DECLARATION OF
COVENANT CONDITIONS AND
RESTRICTIONS OF DEERHAVEN RANCHES

This amendment executed this 23rd day of August, 1995 by Custom Finance, Ltd., an Arizona Corporation, as developer of Deerhaven Ranches, to Covenant Conditions and Restrictions, dated January 8, 1981 in Docket 1477 at pages 89 thru 112.

WITNESSETH:
SECTION 1.03 of Article 1, General Restrictions, as set forth in the original Declaration shall, from the date of this Amendment and henceforth, include the following:

Section 1.03. Any commercial venture which requires a special use permit, a variance, or a change in the RU-4 zoning from Cochise County Planning & Zoning will not be permitted.

Michael H Mooney
MICHAEL H. MOONEY, PRESIDENT
CUSTOM FINANCE LTD.

STATE OF ARIZONA)
)ss:
COUNTY OF COCHISE)
This instrument was acknowledged before me this 25th day of August 1995 by Michael H. Mooney for Custom Finance, Ltd., an Arizona corporation,

My Commission Expires: 12/26/96
Notary Public

Larry A. Woodcock
WITNESS: LARRY WOODCOCK, PRESIDENT,
DEERHAVEN HOMEOWNERS ASSN.

NOTARY PUBLIC
STATE OF ARIZONA
County of Maricopa
Shawn Patrick Mooney
My Commission Expires December 28, 1996

STATE OF ARIZONA)
)ss:
COUNTY OF COCHISE)

This instrument was acknowledged before me this 25th day of August 1995 by Larry A. Woodcock.

My Commission Expires: 12/26/96
Notary Public

NOTARY PUBLIC
STATE OF ARIZONA
County of Maricopa
Shawn Patrick Mooney
My Commission Expires December 28, 1996

950821147

When recorded, return to:
Pat Spaulding, Stewart Title - Trust Dept.
P. O. Bx. 42200
Tucson, Az. 85733

JAN 21 1987

AMENDMENT TO DECLARATION OF COVENANT CONDITIONS AND RESTRICTIONS OF DEERHAVEN RANCHES

This amendment executed this 28th day of October, 1986 by Stewart Title & Trust of Tucson, as Arizona Corporation, as Trustee under Trust #2265 as "Declarant" dated January 6, 1981 and recorded in the office of the Cochise County Recorder on January 8, 1981 in Docket 1477 at pages 89 thru 112.

WITNESSETH:

SECTION 1.05 of Article 1, General Restrictions, as set forth in the original Declaration shall, from date of this Amendment and henceforth, be deleted in its entirety, and the following substituted therefor

Section 1.05 Building Restrictions

"Homes are to be constructed of masonary, stucco frame, or new wood construction and must be no less than (1,000) one thousand square feet in size.

Double-wide mobile homes with not less than (1,000) square feet interiors are approved as permanent structures. Architectural design must include the following: shingle roof with a minimum (6) six inch eave overhang on all sides, with wood or compostion-wood siding. All homes, outbuildings, corrals, mobile homes or structures must be approved by the Architectural Committee in writing, prior to placement or construction."

Pat Spaulding, Assistant Trust Officer
STEWART TITLE & TRUST OF TUCSON
an Arizona Corporation, as Trustee
only and not in its corporate capacity
under Trust #2265

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

This instrument was acknowledged before me this 19th day of January 1987 by Pat Spaulding, Assistant Trust Officer for Stewart Title & Trust of Tucson, an Arizona corporation, as Trustee only & not personally.

My Commission Expires: 3/19/90

Notary Public

870101515

FEE # 870101515
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
01-21-87 1
REQUEST OF
STEWART TITLE & TRUST
CHRISTINE RHODES-RECORDER
FEE : 9.00

870101515
STEWART TITLE & TRUST
POX 42200
TUCSON AZ. 85733