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RECORDED AT THE REQUEST OF

***PINECREST PROPERTY OWNERS
ASSOCIATION***

ON _____

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OFFICIAL RECORDS OF NAVAJO COUNTY, ARIZONA

_____, RECORDER

THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF THE
PINECREST LAKE SUBDIVISION

September 2022

September 2022

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**THE AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF THE PINECREST LAKE SUBDIVISION UNIT 1**

This declaration of Covenants, Conditions and Restrictions is amended this _____ day of _____ 20 ____ by the Pinecrest Property Owners Association, hereinafter referred to as “PPOA”, qualified to do business in the State of Arizona as Pinecrest Lake Property Owners Association, Inc. and also known as “Pinecrest Lake RV Resort.”

WHEREAS, PPOA and the individual members, hereinafter referred to as “Declarant” are the owners of the real property described herein, and the Declarant intends for this declaration to impose on the property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of the residential property within the Pinecrest Lake Subdivision, a Recreational Vehicle Subdivision, which is made subject to these Covenants, Conditions and Restrictions, and all amendments thereto, by recording of this document. The Declarant desires to provide a flexible and reasonable procedure for the overall development of the property and to establish a method for the administration, maintenance, preservation, use and enjoyment of such property as is now and may hereafter be subject to these Covenants, Conditions and Restrictions.

WHEREAS, the real property which is, and shall be, held and shall be Conveyed, transferred and sold subject to the conditions, restrictions, covenants, reservations, easements, liens and charges with respect to the various portions thereof as set forth in the various clauses and Subdivisions of this Declaration is located in the County of Navajo, State of Arizona; and

WHEREAS, Pinecrest Lake Subdivision is composed of two hundred (200) Recreational Vehicle Lots and six (6) Tracts; said Lots numbered 1-200 and Tracts C-1, C-2, A, B, D, and E. The following Covenants, Conditions and Restrictions apply to all the property shown on the recorded plat as being included in said Subdivision, said plat recorded in book 16 of maps, page 28-29, records of the Navajo County Recorder; and;

WHEREAS, no property other than that described above shall be deemed subject to this Declaration, unless and until specifically made subject thereto; and

WHEREAS, the real property described herein except the commercial tracts, Tracts C-1 and C-2,

is subjected to all the covenants, restrictions, conditions reservations, liens and charges hereby declared to insure the best use and the most appropriate development and improvement of each site thereof; to protect the owners of sites against such improper use of surrounding sites as will depreciate the value of an owners property; to preserve, so far as practicable, the natural beauty of said property, to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development of said property; to encourage and secure the location of attractive Recreational Vehicles thereon, with appropriate locations thereof on sites; to prevent haphazard and inharmonious improvement of sites; to secure and maintain proper setbacks from streets, and adequate free spaces between structures; and in general, to provide adequately for a high type and quality of improvement in said property, and thereby to enhance the values of investments made by purchasers of sites therein. The Tracts C-1 and C-2 are subject to all restrictions, except for those set forth in Article II pertaining to use in order to accomplish the same purposes.

NOW, THEREFORE, the Declarant hereby declares that the property described herein and any additional property may by subsequent amendment be added to and subject to these Covenants, Conditions and Restrictions, shall be held, sold and Conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with the property subject to these Covenants, Conditions and Restrictions, and which shall be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors, successors in title, and assigns, and shall innure to the benefit of each owner thereof. This 2022 Amended and Restated Declaration of Covenants, Conditions and Restrictions ("Declaration") amends, replaces, and supersedes in their entirety all previous revisions or versions, including the declarations recorded in the Navajo County: September 2012-16065 and February 1986-07536.

**ARTICLE I.
DEFINITIONS**

- A. **ARTICLES OF INCORPORATION AND BY-LAWS** - those Articles filed with the Arizona Corporation Commission to incorporate the Pinecrest Lake Property Owners Association. The By-Laws shall govern the Pinecrest Lake Property Owners Association regarding all Common Areas and improvements thereon, and all activities of said Association.
- B. **ASSESSMENT** - an amount to be paid by all property owners to the Association for use, maintenance, improvement, repair or replacement of the Common Area or capital improvements within the Common Area.
- C. **BOARD OR BOARD OF DIRECTORS** - the Board of Directors of the Pinecrest Lake Property Owners Association, hereinafter "the Board".
- D. **COMMON AREA** - the clubhouse, pond amenities, or open space owned as common property by the members of the Pinecrest Lake Property Owners Association. Common Areas defined by:
Tract A – Lake, lakeshore, equipment to maintain, pump station, open space and clubhouse.
Tract B - Roads of the Pinecrest Lake Subdivision.
Tract C1 – Caretaker Residence and workshop.
Tract C2 - Septic fields and open space.
Tract D - Drainage channels.
Tract E - Open space.
- E. **CONVEYED** - a parcel of property shall be deemed to be Conveyed to a purchaser when any form of conveyance as defined by the law of the State of Arizona occurs, or upon execution of and timely payment under a purchase contract, or other contract to convey. Upon forfeiture or foreclosure of a purchaser's interest any previous conveyance will be deemed not to have occurred.
- F. **COVENANTS, CONDITIONS AND RESTRICTIONS** - the Covenants, Conditions and Restrictions are the matters set forth in this document and all subsequent amendments hereto, hereinafter referred to as the "Covenants".
- G. **DECLARATION** – This entire document known as "The Declaration of Covenants, Conditions and Restrictions of the Pinecrest Lake Subdivision".
- H. (unused)
- I. **LOT** - shall mean a portion of the property, other than the Common Area, intended for any type of independent ownership and use as may be set out in these Covenants, Conditions and Restrictions, and as shall be shown on the Plat of Subdivision, recorded as described herein. When the context indicates or requires, the term Lot includes any improvements on the Lot.
- J. **LOT OWNER** - any owner of any interest in real property within the Pinecrest Lake Subdivision; except for Beneficial interests under a Deed of Trust or a Mortgagee's interest under a Mortgage.

- K. PINECREST LAKE PROPERTY OWNERS ASSOCIATION - a non-profit corporation formed under the Laws of the State of Arizona whose membership shall be comprised of all property owners within the Pinecrest Lake Subdivision, hereinafter the "Association".
- L. RECREATIONAL VEHICLE: A fully self-contained Park Model, Motor Home, Fifth Wheel or Travel Trailer, which contains living quarters designed for human habitation.
- M. SUBDIVISION - Pinecrest Lake Subdivision as the plat is recorded in Navajo County, State of Arizona, Book ____ of Maps, page _____, containing the property described herein, hereinafter Pinecrest Lake or Pinecrest Lake Subdivision.
- N. TAXES - all Taxes of the State of Arizona, political Subdivisions thereof, or other taxing or assessing authorities.
- O. RECREATIONAL VEHICLE PAD - an area defined by setback limits for Recreational Vehicle placement on owner's Lot.

**ARTICLE II
RESTRICTIONS**

- A. All lots and Tracts within the Subdivision except Tracts C-1 and C-2 are bound by this Article. The commercial tracts, Tract C-1 and C-2, are exempt from the provisions of this Article of the Covenants, Conditions and Restrictions of the Pinecrest Lake Subdivision but are bound by the remainder of these Covenants, Conditions and Restrictions and are liable for Assessments.
- B. All property as described herein shall be for residential Recreational Vehicles use only. Improvements constructed on any property are restricted to use by Recreational Vehicles. NO business use or commercial activities, of any kind shall be conducted upon said property. This restriction SHALL prohibit the lease or RENTAL of said property for use as a permanent full time residence. Annual leases or rentals are permitted but occupancy is limited to seasonal (when PPOA facilities are open, i.e. Clubhouse and laundry) and may be occupied for short-term periods during the off-season not to exceed two (2) weeks at a time. All leases and or rental agreements must be made subject to these terms and provisions. Year round occupancy of said property must be OWNER OCCUPIED.
- C. **ALL building, improvement, or exterior lighting [SEEK ARCHITECTURAL APPROVAL]** shall NOT be erected, placed, or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Board as to quality of workmanship and materials, harmony of external design with existing structures and the purpose of the Subdivision, and as to location with respect to topography and finish grade elevation. In addition, all improvements constructed on any lot shall conform to all requirements of the Navajo County Building Codes including obtaining a Building Permit when required. A copy of the approved building permit must be provided to the Architectural committee.

No Recreational Vehicle shall be located upon any Lot until said vehicle is approved by the Architectural Committee.

- 1) Park Models shall be a minimum of 350 and a maximum of 400 square feet, excluding lofts, and porches, and shall be certified per the “Recreational Park Trailer Association” ANSI A119.5. An addition may be added to the Park Model as long as the required SETBACKS (see Article II, L.) are met and it is built to Navajo County requirements.
 - 2) All other recreational vehicles for habitation shall be at least 21 feet in length per vehicle registration, Tag, and Title. No restrictions on maximum length as long as the SETBACK LIMITS of Article II, L. are met.
 - 3) Trailers, Pop Ups, or Motor Homes with fabric, plastic tops or sides, are excluded.
 - 4) Tents are not permitted.
 - 5) Truck campers and van conversion campers are NOT considered to be Recreation Vehicles.
- D. **ANIMALS – TWO (2) HOUSEHOLD PETS ALLOWED.** No animals, livestock or poultry shall be kept on the property other than not more than two house hold pets, and no signs of a commercial nature shall be allowed, and no unsightly objects or nuisances shall be erected, placed or permitted to remain on the property, nor shall the property be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any Recreational Vehicle or any resident thereof.
- E. **NOXIOUS OR OFFENSIVE ACTIVITY -** No noxious or offensive activity shall be carried on in any Recreational Vehicle or in the Common Areas, nor shall anything be done therein which may be or become an annoyance or nuisance to the neighborhood. All equipment, garbage cans, woodpiles, or storage piles, shall be kept screened and concealed from view of neighboring Recreational Vehicles, streets, and Common Areas. All rubbish, trash or garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon or on the adjacent Common Areas. No exterior clotheslines shall be erected or maintained and there shall be no outside drying or laundering of clothes on patios, unless said clothesline or other drying method is obstructed from the view of others by an adequate screening device. No exterior clotheslines or other outside drying or laundering of clothes shall be permitted in any part of the Common Area.
- F. **FENCES, WALLS – [SEEK ARCHITECTURAL APPROVAL]** All screening areas, whether fences, hedges or walls, shall be erected or maintained upon the property in said Subdivision by the owner of the Recreational Vehicle. Such screening areas, fences, hedges or walls, shall be approved prior to their installation by the Board. A six (6) foot wood fence with (4) inch or (6) inch wide vertical board is permitted on the rear boundaries of lots backing to the east and west boundary of the subdivision. Fences other than those along the east and west boundary of the subdivision shall be no higher than (4) feet. These fences may be constructed of split rail wood, wrought iron, composite or wood, and must be sturdy and attractive. Chain-link fencing is not permitted. Only split rail fences are permitted in the following locations:
- Forward of the recreational vehicle or garage, no closer to the street than the front property line.
 - Within 30 feet of the front lot boundary, for the case of no recreational vehicle or garage on a lot.
 - Along lot boundaries adjacent to common areas.
 - Along lot side boundaries adjacent to a street (corner lot).

YARD ENCLOSURES – [SEEK ARCHITECTURAL APPROVAL] Refer to FENCES AND WALLS for height size and type of materials. The front of the fence must be a minimum of fifteen (15) feet from the front property line and CANNOT be located forward of the Recreational Vehicle regardless of lot size. The enclosure setbacks to the side and rear boundaries are reduced to zero (0) at the property line.

- G. **VEHICLES** - All automobiles/trucks/motorcycles/ATVs/trailers parked on a lot must have a current registration and be in visually good condition. Motor vehicles must be drivable. Vehicles of any type parked on the streets shall be limited to short term parking. Overnight parking on the streets is not permitted.

- H. **IMPROVEMENTS – [SEEK ARCHITECTURAL APPROVAL]** No improvements, exterior painting, decorative alterations, repairs, excavation, or other work which in any way alters the exterior of any Recreational Vehicle or appurtenances thereto, or ancillary building or fences, or the surface of any lot, shall be commenced, erected, maintained, made or done without the prior written approval of the Board, or any committee established by the Board for those purposes. Pursuant to its rulemaking powers the Board shall establish the procedure for the preparation, submission, and determination of applications for any such alteration or improvement. The Board shall have the right to refuse to approve any plans or specifications which are not suitable or desirable, in its opinion, for aesthetic or other reasons, and in so passing upon such plans, specifications and grading plans, and without any limitation to the foregoing, the Board shall have the right to take into consideration the suitability of the proposed improvement and of the materials of which it is to be built, the site upon which it is to be located, the harmony thereof with the surroundings, and the effect thereof on the outlook or view from the adjacent or neighboring Recreational Vehicles. All subsequent additions to or changes or alterations in any Recreational Vehicle, Recreational Vehicle Pad area, fence, wall, or other structures including exterior color scheme shall be subject to prior approval of the Board. No changes or deviations in or from such plans or specifications once approved shall be made without the prior written approval of the Board. All decisions of the Board shall be final and no owner or other party shall have recourse against the Board for its refusal to approve any such plans or specifications. All excavations or alterations to the drainage shall be approved by the County Engineer of Navajo County, Arizona or such person exercising the powers and performing the duties presently done by the County Engineer, prior to submitting any request to do the same to the Board.

- I. **Repair and Maintenance.**
 - 1. **By Owner.** Each owner of a Recreational Vehicle shall maintain, replace, repair and restore, at his own expense all portions of the Recreational Vehicle and maintain the same in good condition, normal wear and tear excepted.

TREES – [SEEK ARCHITECTURAL APPROVAL] No owner shall cut down any trees with trunks over fifteen inches in diameter (dead or alive) without first obtaining written consent of the Architectural committee.

Lot landscaping is to be weed free gravel, crushed rock, decomposed granite, or similar. Any areas of native plants and vegetation are to be in areas neatly defined and aesthetically attractive.

2. By the Association. The Pinecrest Lake Property Owners Association shall have full power to control and it shall be its duty to maintain, repair and make necessary improvements to the Common Areas and the improvements thereon, to include water and wastewater disposal systems, underground culverts, roadways, clubhouse, utilities and all recreational amenities. The Association shall further periodically inspect all common elements in order that minimum standards of repair, design, color and landscaping shall be maintained for beauty, harmony and conservation of values within the entire Subdivision.
3. General Maintenance. In the event that the Association determines that the Common Areas are in need of improvement, repair, restoration or painting, or that the landscaping is in need of modification, repair, or restoration, the Association shall undertake to remedy such condition. The Association shall have an unlimited right of entry in and upon all Common Areas for the purpose of taking whatever corrective action may be deemed necessary or proper by the Board.
4. Repair Necessitated by Owner. In the event that the Board determines that a Lot or Recreational Vehicle is in need of repair, restoration or painting, or that the landscaping is in need of repair, or restoration due to the acts or omissions of an Owner, or any person designated or permitted by an Owner, then the association shall give written notice to that Owner of the unsatisfactory condition within such reasonable period of time as may be determined by the Board, after said written notice is first given, and such corrective work so approved is not completed thereafter within the time allotted by the Board, the Association shall undertake to remedy such unsatisfactory condition. The cost there of shall be deemed to be an Assessment to such Owner against such particular Lot, and subject to levy, enforcement and collection as provided for in the Articles or By-Laws. The Board shall have the sole right to determine whether any such costs expended by the Association were related to general maintenance or were repairs necessitated by an Owner's action or non-action, and a determination of the same shall be binding and final upon an Owner.

- J. No Recreational Vehicle Owner or Lot Owner shall attempt to park or hook up a Recreational Vehicle within the Pinecrest Lake Subdivision Unit 1 between the hours of 8:00 PM and 7:00 AM local time, nor shall any Recreational Vehicle owner attempt to service a Recreational Vehicle in any manner including but not limited to replenishing water supplies or dumping waste material between the hours of 8:00 PM. and 7:00 AM local time.
- K. A fuel operated generator on a Recreational Vehicle on a lot, may be operated only for emergencies and maintenance purposes.

L. **SETBACK SPECIFICATIONS – [SEEK ARCHITECTURAL APPROVAL]** All Lots except the commercial tracts, Tracts C-1 and C-2, shall be subject to the use restrictions set forth herein.

1. Recreational Vehicles and related or connected structures (sheds, decks, porches, patios, covered or uncovered) shall be located on Recreational Vehicle pads which are defined by the following setbacks:
 - Fifteen (15) feet from the front lot line
 - Five (5) feet from the rear lot line
 - Ten (10) feet from the left hand lot line
 - Five (5) feet from the right hand lot line

The left and right hand designations assume viewing the lot from the front. The setbacks are measured from lot lines defined by the lot plot plan. It is the responsibility of the lot owner to ensure that any existing corner pins defining lot boundaries are in compliance with the plot plan. For some lots where the roadway is not straight, the front lot boundary may be curved, being defined by one or more radii on the plot plan. The location of the Recreational Vehicle and appurtenant structures within the Recreational Vehicle pad must be approved by the Board or a designated committee.

2. **SETBACK EXCEPTION** - For lots with back or side boundaries bordering either the U.S. Forest or common grounds, covered or uncovered decks may extend to two (2) feet from the boundary. All decks must be approved by Navajo County.
3. Unused
4. Unused
5. Recreational vehicles placed on a lot, must conform to dimensions defined in **Article II, Section C** and shall not be placed on a lot so that any portion of it, excluding roof overhang, covers or extends into setback areas as defined by **Article II Section L.1-2 and Article II Section L.6ii**.
6. The following restrictions apply to all Lots except the commercial tracts, Tracts C-1 and C-2:
 - i. Service buildings to house toilet, bathing and other sanitation facilities and utilities shall be provided as required by the Navajo County Health Department.
 - ii. Minimum distances or setbacks required herein shall be the shortest of horizontal dimensions measured from the nearest portion of the sidewall or vertical support of a Recreational Vehicle, including slide outs, covered patio, carport, Ramada or similar appurtenances.

M. **EASEMENT RESPONSIBILITY** - Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements within it shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

Lot Owners must keep their Lot Easement (between front lot line and pavement) free of weeds and debris in the easement, drainage ditches and culvert openings. Any landscaping or materials placed in the easement area will not be restored or costs reimbursed by PPOA if disturbed by PPOA, public authority or utility company. Any landscaping or materials disturbed by work on street valves will not be restored or costs reimbursed by PPOA.

- N. **HUMAN HABITATION** - No shed/utility room or garage or parked vehicle on a lot, except the primary residence, may be occupied overnight, either temporarily or permanently. There shall be only one (1) occupied RV per Lot. An additional uninhabited RV shall be permitted if space is available without extending into the street, for a period not to exceed 24 hours for loading/unloading. An additional period of up to 3 consecutive days per 30 day period may be requested. Written approval by the Architectural Committee or Board is required. Only truck mounted campers, not to extend beyond 24 inches from the truck bed, and self-contained vans shall be permitted in addition to an RV. However, in no case may the RV truck mounted camper, or van be used as a residence.
- O. **SIGNS/FLAGS** - No sign of any kind shall be displayed to the public view on any Lot except one sign approved by the Board of not more than five square feet advertising the property for sale or rent or a sign required by legal proceedings. It is the intention of the Association to follow and permit the signage and flags as set forth in Arizona Revised Statute 33-1808, extensive list.
- P. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot, except by the owner of the mineral rights. No derrick or other structure designed for use in boring for oil or natural gas or water shall be erected, maintained or permitted upon any Lot, except by the owner of the mineral rights.
- Q. No individual water-supply system or sewage disposal system shall be permitted on any Lot unless such system is located, constructed and equipped in accordance with the requirements standards and recommendations of the Arizona Department of Health Services and Navajo County. Approval of such system as installed shall be obtained from both authorities. No privies or outhouses shall be allowed.
- R. **SHED/UTILITY BUILDING - [SEEK ARCHITECTURAL APPROVAL]** No shed shall be placed nor any material be placed or stored on any Lot within (5) feet of the property line except AC/heating units and propane tanks. Storage sheds, whether constructed or commercially manufactured, shall not be larger than 120 square feet, nor less than 35 square feet and must be located at the back of the lot not less than 5 feet from any lot line. (Rear and side setbacks may be reduced to 2 feet if they border on the US Forest or Common Ground within the community.) Skirting will be required if material is stored under the constructed shed. Sheds may not be higher than 11 feet in height. All storage sheds must have prior written Committee approval and be anchored unless they are attached to a concrete floor. No freestanding storage unit shall be acceptable. Roof overhangs must be such that run-off does not fall on a neighbor's property.

- S. Electrical, sewer, water and any other utility connection which may be provided to any Lot will be provided to the utility tree located upon said Lot. Each Lot Owner is to provide connections from the utility tree to the Recreational Vehicle. All connections from any Recreational Vehicle to the utility connection installed in the Pad Area shall be as short as is physically possible in order to minimize above ground utility service.
- T. Any owner may delegate, in accordance with the By-Laws of the Association and subject to reasonable rules, regulations and limitations as may be adopted in accordance therewith, his or her right of enjoyment of the Common Area and facilities to the members of his or her family, tenants and social invitees and shall be deemed to have made a delegation of all such rights to the occupants of any leased Lot.
- U. Each owner shall have the right to ingress and egress over, upon and across the Common Area necessary for his or her Lot and shall have the right to lateral support for his or her Lot, and such right shall be appurtenant to and pass with the title to each Lot.
- V. Use of the Common Area shall be restricted as follows:
 - Tract A shall be used for a lake, the shore of the lake, the equipment to maintain the lake, a clubhouse, open space, septic tank and pump station;
 - Tracts labeled B are the roads of the Pinecrest Lake Subdivision and shall be maintained as such;
 - Tract C1 shall be used for a caretaker's residence, workshop and storage for maintenance of Pinecrest Lake Subdivision;
 - Tract C2 shall be used for a septic field and open space;
 - Tract D is a drainage channel;
 - Tract E is open space.
- W. **Garages and free-standing (anchored) structures [SEEK ARCHITECTURAL APPROVAL]** are permitted (passed by Membership 9/16/22). Refer to current Board Approved Architectural guidelines/regulations for details.

**ARTICLE III.
OWNERSHIP AND USE OF THE COMMON AREA**

- A. Each Lot Owner shall be deemed to own an undivided interest in the Common Area equal to 1/200th of the total of the Common Area within said Subdivision, or if additional property is subjected to these Covenants, Conditions and Restrictions, to a fractional interest equal to one divided by the total number of Lots subject to these Covenants, Conditions and Restrictions; however, each Lot Owner agrees that the Pinecrest Lake Property Owners Association, an Arizona non-profit corporation, shall have the full ownership right to all Common Areas; including the power to convey the same, in full or in part, acting on behalf of all Lot Owners; and subject further to any limitations set forth in the By-Laws of the Association. However, the power to convey shall be subject to the terms and conditions of the Articles of Incorporation and the By-Laws of the Association.

- B. Every owner shall have a right and easement of ingress and egress into and use and enjoyment of the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the acts of the Association as empowered in the law, pursuant to these Covenants, the Articles of Incorporation of said Association, and the By-Laws of said Association.

**ARTICLE IV.
PROPERTY OWNERS ASSOCIATION**

- A. The Pinecrest Lake Property Owners Association, a non-profit corporation, under and by virtue of the laws of the State of Arizona governing non-profit corporations, shall provide such necessary and appropriate action for proper maintenance and upkeep of all streets, alleys, walks, perimeter fences, street drainage, the sewer system servicing the lots, exterior landscaping and the water system from the meter and point of connection to the public water supply to each lot within the Pinecrest Lake Subdivision, and parcels to be used as Common Areas, all as delineated in the recorded plat of Pinecrest Lake Subdivision. The Association shall manage the property and do all other things necessary as set forth in the Articles of Incorporation and By-Laws of the Association for the general benefit and welfare of the property owners.
- B. The Association, through its Board of Directors, may make and enforce all board approved reasonable Rules and Regulations governing the use of the property and Common Areas, which Rules and Regulations, shall be consistent with the rights and duties established by this declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the Common Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association. Prior to any decision to suspend voting rights or rights to use the Common Area, or to impose monetary sanctions, the Board shall provide at least thirty (30) days notice to the property owner whose rights will be affected thereby, of a hearing on the issue of suspending voting rights, use of the Common Area, or the imposition of monetary sanctions. The Lot Owner shall have the opportunity to appear at said hearing and present evidence concerning the issues being heard.
- C. The Board shall be selected as set forth in its Articles of Incorporation and By-Laws. A majority of the Board may designate a representative to act for it. In the event of death or resignation of any member of the Board, the remaining members shall have full authority to designate a successor. Neither the members of the Board, nor its designated representative shall be entitled to any compensation for services performed pursuant to these covenants. Record owners of a majority of the Lots shall have the power, as described in the By-Laws, to change the membership of the Board or amend any of its powers and duties.
- D. The Board's approval or disapproval as required in these covenants shall be in writing. No placement of a Recreational Vehicle or construction may be started until approved by the Architectural Committee. The Architectural Committee is available in the park to issue permits during the period of May 1st through October 31st. If a lot owner wishes to seek approval during the period of November 1st through April 30th, the lot owner will be required to pay mileage at the rate set by the Board of Directors for the Architectural Committee to make any special trips to the park that may be required to grant a permit or inspect construction. However, all plans and specifications and improvements added to, or constructed upon any lot must comply with all applicable Navajo County, and State of Arizona Rules and Regulations, Ordinances and Statutes.

- E. (unused)
- F. All rights, discretion, power and authority including the right to collect assessments, shall be the Association's through its Board of Directors, duly elected to manage the Association's business.
- G. (unused)
- H. (unused)
- I. **OWNERSHIP TRANSFERAL** - Every owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and obligations of a Lot Owner and membership in the Association shall not be assigned, transferred, pledged, Conveyed or alienated in any way except upon transfer of ownership to such Lot, or by intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona.
Upon A SALE, EXCHANGE or TRANSFER of ownership of a member owned property, a transfer fee of one hundred dollars (\$100.00) shall be charged. In addition, a Capital Fund Preservation Fee of three hundred seventy five dollars (\$375.00) is charged to the purchaser/transferee for each sale/transfer, whether voluntary or involuntary. Both fee schedules to be set at the discretion of the Board.

EXCEPTION - The Preservation fee would be waived when the sale, exchange or transfer occurs between a current PPOA Member and another current PPOA Member in good standing or from one family member to another family member by execution of a will, a trust or a deed.

**ARTICLE V
ASSESSMENTS**

- A. Each Lot Owner, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:
 - 1. Annual Assessments or charges, and
 - 2. Special Assessments for capital Improvements, such Assessments to be established and collected as provided in the Articles and By-Laws, and
 - 3. The late penalties and sanctions and the payment Penalties, if any, together with interest, costs, and reasonable attorney's fees, as expended or charged by the Association to collect any Annual or special Assessment's or installment thereof.
- B. All Assessments, Assessment installments, special assessments or other charges made against any lot if not paid 60 days from the date of the levy thereof shall be a lien on the lot. Each such Assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the owner of such Lot at the time the Assessment or charge was levied. Assessment liens shall pass to successors in title if not satisfied through escrow due to oversight on the part of the title company. Obligations of successors in title are limited to the assessment lien only. Successors in title shall be notified of this provision by each Lot Owner and PPOA prior to the sale of any lot by including notice of this provision in the purchase contract or other agreement conveying title or agreeing to such conveyance.

- C. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of all owners, for the improvement and maintenance of the Common Areas and the Roads, and the sewer system, the water system, and for all purposes set forth in this Declaration and the Corporate documents of the Association including but not limited to, management fees, insurance premiums unless otherwise paid, expenses for maintenance, repairs and replacements of Common Areas and the Roads, and the water or sewer system, reserve for contingencies, Taxes and charges for water and other utilities for the Common Areas.
- D. Both annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected in total or in installments, as determined by the Board in accordance with the By-Laws, on a monthly, quarterly or annual basis.
- E. The annual Assessment shall be for the fiscal year, July 1 through June 30th.
- F. The annual Assessments for each Lot shall commence on the first day of the month following the acceptance of an offer to purchase the Lot or conveyance to the owner, whichever occurs first. The first annual Assessment shall be adjusted according to the number of months remaining in the fiscal year. The Board shall fix the amount of the annual Assessment against each Lot at least thirty (30) days in advance of the levy of each annual Assessment. Written notice of the annual Assessment shall be sent to every owner subject thereto. The Assessment shall be due July 1st of each year, unless the Board adopts another means of payment in accordance with Article V Paragraph D.
- G. The annual Assessment may be increased by the Board each year by an amount equal to not more than ten percent (10%) of the Assessment for the previous year. The annual Assessment may be increased more than ten percent (10%) if approved by a majority (101 votes to pass) of all lot owners in good standing (ref Bylaws, Part II, G.) (one vote per lot) voting in person or by absentee ballot at an election duly called for this purpose.
- H. In addition to the annual Assessments authorized above, the Association may levy, in any Assessment year, one or more 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 Area, including fixtures and personal property related thereto, provided that any such Assessment shall be approved by a majority (101 votes to pass) of all lot owners in good standing (ref Bylaws, Part II, G.) (one vote per lot) voting in person or by absentee ballot at a membership election duly called for this purpose.
- I. Any Assessment not paid within sixty (60) days after the due date shall bear interest from the due date at the rate established in the By-laws. The Association may bring any action at law against the owner personally obligated to pay the Assessment, or foreclose the lien of the Association Assessment against the Lot. In the event of any deficiency in a foreclosure proceeding, the property owner shall be personally liable for such deficiency. No Owner may waive or otherwise escape liability for the Assessments levied herein by non-use of the Common Areas or abandonment of the Lot.

- J. The lien of the Assessment provided for herein shall not be subordinate to the lien on any Lot or any mortgage or Deed of Trust. Sale or transfer of any Lot shall not affect the Assessment lien. The Lot Owners agree to not claim any homestead exemption arising under the law of the State of Arizona in any action brought by the Association to enforce the lien of any assessment levied by said Association or its Board.

**ARTICLE VI
AD VALOREM TAXATION**

- A. Each owner shall be assessed separately for all Taxes, or other charges of or imposed by the State of Arizona, its counties, political subdivisions and thereof. For purposes of such Assessment, the valuation of the Common Areas shall be apportioned among the owners based upon the fractional interest assigned to each of them by the provisions of this document.
- B. Forfeiture or sale of any Lot for delinquent Taxes, Assessments or other governmental charges shall not divest or in any way affect the title to any other Lot or the Common Area.

**ARTICLE VII
INSURANCE**

- A. The Board or its duly authorized agent shall have the authority to obtain insurance for all insurable improvements on the Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. This insurance should be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.
- B. Proceeds of the insurance policy shall be distributed as follows:
For damage or destruction for which the proceeds paid are to be used to pay the costs of repair or reconstruction, the proceeds or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repair or reconstruction as herein provided. Any proceeds remaining after paying such costs of repairs or reconstruction to the Common Area, or in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate, any monies remaining from the receipt of insurance which is either surplus after the reconstruction or repair of improvements, or remaining because improvements are not repaired or reconstructed, shall be retained by the Association for use by the same for all lawful purposes.

Immediately after the damage or destruction by fire or other casualty to all or any part of the property covered by the insurance written in the name of the Association, the Board shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction as used in this paragraph means repairing or restoring the property to substantially the same condition which existed prior to the fire or casualty.

Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the total vote of all members in good standing (ref Bylaws, Part II, G.) (one vote per lot) of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason the amount of insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or construction, or both are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed a period of sixty (60) days. No mortgagee or lienholder on any of the Lots within Pinecrest Lake shall have the right to participate in the determination of whether or not the Common Area damage or destruction shall be repaired or reconstructed.

In the event it shall be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed, and no alternative improvements are authorized, then in that event the property shall be restored to the natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

If the damage or destruction for which insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall use the general fund or seek a special Assessment as provided herein.

ARTICLE VIII MISCELLANEOUS

- A. The restrictive covenants, conditions, limitations and agreements herein contained may be modified at any time by the affirmative vote of at least 67% of lot owners in good standing (ref Bylaws, Part II, G.) (one vote per lot) (134 votes to pass) in an election duly called for that purpose, and shall run with the land until July 1, 2032, and unless revoked by an affirmative vote of at least 85% of lot owners in good standing (ref Bylaws, Part II, G.) (one vote per lot) (170 votes to pass), shall be automatically extended for successive periods of ten (10) years and shall be binding upon all persons purchasing, leasing, subleasing or occupying any property affected by the restrictions as has been duly recorded. The covenants, restrictions, conditions and reservations herein contained may be enforced by the Board of Directors of the Pinecrest Lake Property Owners Association, or by the owner of any Lot in said Subdivision, or by any one or more of said Lot Owners, provided however, that the violation or breach of any covenant, restriction, reservation or condition, or any right of reentry by reason thereof, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon said Lots, and except as hereinafter provided, each and all of said covenants, restrictions, reservations and conditions, shall be binding upon and effective against any owner of said property whose title thereto is acquired by foreclosure, trustee sale or otherwise, and provided also that the breach of any of said covenants, restrictions, reservations and conditions may be enjoined, abated or remedied by appropriate legal proceedings, notwithstanding the existence of any lien, deed of trust or mortgage instrument. Any and all instruments of conveyance of any interest in all or part of the property of this said Subdivision shall contain references to this Declaration and shall be subject to the covenants, restrictions, reservations and conditions herein set forth as fully as those said terms and conditions of this instrument were therein set forth in full; provided, however, that the restrictive covenants, terms and conditions of this instrument shall be binding upon all persons affected by the same whether express reference is made to this instrument or not.

- B. No properties may be annexed without the approval of a majority (101 votes to pass) of the votes (one vote per lot) of the members in good standing (ref Bylaws, Part II, G.) of the Association, voting in an election called for such purpose, if the annexation results in an annual regular Assessment to each member which is more than ten percent (10%) greater than the preceding annual Assessment heretofore paid by each member to the Association for the preceding fiscal year of the Association, whether such increase results from annexation alone or from annexation and in addition from other increases in the Association's regular annual Assessments. Such election shall be called as provided in the By-Laws of the Association.
- C. 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 this document and subject to any or all of the enforcement procedures set forth herein.
- D. (unused)
- E. Except as is permitted in the Covenants or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the properties or any part hereof seek any judicial partition, unless the properties have been removed from the provisions of these Covenants by condemnation or other judicial act. This paragraph shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to these Covenants.
- F. Whenever all or any part of the Common Area shall be taken by condemnation or other judicial act (or Conveyed in lieu of and under threat of condemnation by the Board acting on written direction of all the owners) by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof. The award for such taking shall be payable to the Association as trustee for all owners to be disbursed as follows:
- If the taking involves a portion of the Common Area constructed then, unless within fifty days after such taking revoked by an affirmative vote of at least 67% of lot Owners at that time, shall be constructed then, unless within fifty (50) days after such taking the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, then the provisions in Article VII regarding use of insurance proceeds for repair and restoration of property shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is complete, then such award of net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.
- G. (unused)
- H. No private agreement of any Lot Owners shall modify or abrogate any of these restrictive covenants nor the obligations, rights, duties, and limitations set forth upon the individual Lot Owners by reason of the Articles of Incorporation of the Association or by By-Laws thereof.
- I. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which remain in full force and effect.

- J. In addition to any other remedies provided by law, the Association or its duly authorized agent, shall have the power to enter upon any Lot or any portion of the Common Area to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates these Covenants, the By-Laws, or any board approved Rules and Regulations of the Association. Unless an emergency situation exists, the Board shall give the violating Lot Owner ten (10) days written notice of its intent to exercise self-help. All costs of self-help including reasonable attorney's fees actually incurred shall be assessed against the violating Lot Owner and shall be collected in the manner in which Assessments are collected.

ARTICLE IX AMENDMENTS

These Covenants may be amended unilaterally at any time and from time to time by the Declarants for the following limited purposes:

- A. If such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith;
- B. If such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to these Covenants;
- C. If such amendment is required by an institution or governmental lender or purchase or mortgage lender, to enable such lender to make or purchase loans on the Lots subject to these Covenants; or
- D. If such an amendment is necessary to enable any governmental agency or reputable private Insurance company to ensure mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Lot Owner's Lot unless any such Lot Owner shall consent thereto in writing.

In addition to the above, the registered documents (i.e. Covenants and By-Laws) may be amended upon the affirmative vote (one vote per lot) of members in good standing (ref Bylaws, Part II, G.) representing at least sixty-seven percent (67%) or one-hundred thirty-four (134) of two hundred (200) lots owned by members voting in person, or by absentee ballot at an election duly called for this purpose. Amendments to these Covenants shall become effective upon recordation in the office of the County Recorder, Navajo County, Arizona

**ARTICLE X.
INDEMNIFICATION**

The Association shall indemnify every officer and director against any and all expenses including counsel fees reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association) and the Association shall indemnify and forever hold each such officer and director free and harmless against all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officer's and director's liability insurance to fund this obligation, if such insurance is reasonably available.

IN WITNESS WHEREOF, the undersigned has executed these Covenants, Conditions and Restrictions this 26 day of September, 2022

BY: PINECREST LAKE PROPERTY OWNERS ASSOCIATION

BY: Jarvan Swinot
President

BY: Harold E. Jenkins
Secretary

SUBSCRIBED AND SWORN TO before me this 26 day of September, 2022
Nancy J. Kale
Notary Public

My Commission Expires:

3-27-2023

