

ORIGINAL



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Docket Number W-20637A-08-0560

Compliance with Judge Kinsey's Order

Recorded copy of CCRs with language prohibiting further subdivision

Arizona Corporation Commission
DOCKETED

DEC 20 2010

DOCKETED BY *QJSE*

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL



DECLARATION OF RESTRICTIONS ON LOTS IN
ALL OF THE CUP OF GOLD ESTATES,
THE SOUTH CUP OF GOLD ESTATES,
AND
THE EAST CUP OF GOLD ESTATES.

KNOW ALL MEN BY THESE PRESENTS: That the Cup of Gold Water Co., Inc., (Water Company) an Arizona corporation, whose members are solely and entirely the owners of the lots in the Cup of Gold Estates, the South Cup of Gold Estates, and the East Cup of Gold Estates subdivisions, being the owner of the following described premises situated within the County of Yavapai, State of Arizona, to-wit:

Lot X of the Cup of Gold Estates Subdivision, as shown on the plat thereof as recorded in the records (Book 4731, Page 506) of Yavapai County, Arizona, being in and a part of the W-1/2 of Section 33, T 17 N, R 5 E, G&SRB&M, Yavapai County, Arizona,

and desiring to establish the nature of the use and enjoyment of all the lots of the Cup of Gold Estates, the South Cup of Gold Estates, and the East Cup of Gold Estates subdivisions, all situated within the W-1/2 of Section 33, T 17 N, R 5 E, G&SRB&M, and being empowered to do so by virtue of the provisions contained in the original restrictions on these subdivisions and the articles of incorporation and the by-laws of the Cup of Gold Water Co., Inc., having acted at a special meeting held for the purpose on February 25, 2010, does hereby declare and impose upon all lots and tracts in said subdivisions, and upon the owners thereof the following covenants, restrictions and obligations:

1. The property must be kept clear of trash and debris. No trash, garbage or refuse may be burned on the premises nor dumped on the premises or in any ditch or water course within or adjoining the premises and all fixed garbage and trash containers shall be kept inside a building or underground, or hidden from public view. Any lily ponds or other outside pools of water allowed to exist on the premises must be kept free of mosquitoes and larvae. Any clothes lines existing on the premises must be so placed as to be concealed from view from lots or other public ways and from adjoining lots.
2. No more than one residence and studio and one guest house may be erected on any one lot. The following wording is required by the Arizona Corporation Commission, "prohibition against further sub-division evidenced by deed restrictions, zoning, water restrictions or other enforceable governmental regulations".
3. No lot or tract shall be subdivided into smaller parcels. Membership in any association empowered to enforce the restrictions herein shall be limited to 39, one per lot existing as of February 15th, 2010.



4. In connection with any new construction of either a residence, guest house or other building on any of said lots, the overall design, type and style of construction shall be of such type, style and colors as will fit in and blend with the landscape and other construction in the subdivisions. No white, silver or metallic roofs or awnings shall be erected or maintained on the premises. All structures on said lots shall be of new construction and no building shall be moved from any other location onto any of said lots, nor shall any tent or house trailer be allowed upon any of said lots for use as a residence. Small travel or camping trailers shall be kept inside a suitable structure. The exterior of all dwellings and other structures upon which construction has started shall be completed with eighteen months.
5. All fencing shall be of metal pickets, stained wood or rock.
6. No primary residence shall be erected which contains less than 1,500 square feet of floor area, exclusive of such part of a building, either attached or not, as is used for a garage and also exclusive of porches and/or patios.
7. No building or any portion thereof shall be situated within twenty (20) feet of any property line.
8. No farming may be carried on any of said lots and no livestock or poultry shall be kept thereon; provided, however, that the owner of any lot may keep household pets and saddle horses for his own use on his lot so long as he shall maintain them under sanitary conditions and restrain them from trespassing on other lots.
9. Said property shall not be used for any business or commercial purposes, except that fine arts studios may be contained and maintained in homes. No signs shall be permitted on said premises except such as are for the identification of homes and owners or for the purpose of sale or lease. Said property shall not be used for camping or for rentals of less than 30 days.
10. All exterior electrical wiring, telephone wiring, and television cable, with the exception of main trunk lines, shall be underground.
11. All activity relating to noise and outdoor lighting shall be in compliance with prevailing Yavapai County ordinances or, where absent, the corresponding City of Sedona ordinance.
12. The owner of each lot shall receive and shall accept, for each lot, one membership share in the Cup of Gold Water Co., Inc., a non-profit corporation, as designated in the by-laws thereof, which shares shall attach to and run with the land. The Water Company Board of Directors shall have one collective vote pertaining to these restrictions for all properties owned by the Water Company. An individual owning multiple lots has one vote per residence. If a residence is leased, the vote is attributed to the lessee if the owner back charges the lessee for all Water Company billings. Each lot owner and the land owned by him shall be subject to all the obligations contained in the Articles of Incorporation, bylaws, regulations, and all lawful acts of the Cup of Gold Water Company, Inc. to said lots. The owner of each lot shall be responsible, at his own expense, for the installation and maintenance of the pipeline or lines serving such lot, which installation must be approved by the Cup of Gold Water Co., Inc.



13. The foregoing covenants, restrictions and obligations run with the land and shall be binding on all owners of said lots and all persons claiming under them in perpetuity, unless by a majority of the owners of the lots it is agreed to change them in whole or in part.
14. The plans of all proposed new construction or improvements to said property, including landscaping, must be submitted to and approved by the Property Owner's Association (POA). Variances from any of these restrictions may be approved by the POA, upon application thereto, providing that such variances are for good reason and are not to the detriment of the general good of the subdivisions as determined by the POA.
15. If there should be a violation or threatened or attempted violation of any of these said restrictions, or if the granting or refusal of a variance under paragraph 12 above should cause a grievance, the person or persons so grieved or any other person or persons owning any of said lots in these subdivisions shall present the grievance or complaint to a board, commission, or committee appointed for the purpose by the POA. The said board, commission or committee shall hold a hearing to determine the merit of the said grievance or complaint, and shall hear the arguments of all parties concerned thereat, after which it shall issue a decision and any restraining, enjoining, or other orders necessary to enforce the decision which shall be binding upon all parties concerned. Should an appeal from any said decision be desired, or a POA be non-existent, it shall be lawful for any person or persons owning any of said lots in these subdivisions to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any of said restrictions, or to force the granting of a variance, and to either restrain or enjoin such violation or to recover damages or other dues for such violation.
16. If a POA and Water Company are co-existent, they may be managed by one or separate Board of Directors. Any conflict arising from separate management shall be resolved in favor of the POA which shall have jurisdiction over all lot restriction decisions and property within the Cup of Gold subdivisions. In the absence of a POA, the Water Company shall have no obligation to enforce lot restrictions or any other matter outside the purview of its governing documents.
17. All provisions herein shall remain consistent with any corresponding provision governing the Water Company and with all requirements dictated by the Arizona Corporation Commission, which currently include the following:
 - a. Each year during August, commencing in 2010, an officer must file annual certification that the Bylaws have not been changed to allow further subdivision of the 39 lots in the three Cup of Gold subdivisions adjudication area, to allow an increased number of memberships, to allow for expansion of the area to be served, or to change the equal voting requirements. Anyone who is not a customer of the Water Company, as defined in its Bylaws, cannot be a member of the Water Company.
 - b. If, at any time, the bylaws are changed to allow further subdivision of the 39 lots in the adjudication area, to allow an increased number of memberships, to allow for expansion of the area to be served, or to change the equal voting requirements, Cup of Gold will file an application for a Certificate of Convenience and Necessity.
 - c. Cup of Gold Water Co. is responsible for continuing to stay aware and honor obligations under the applicable laws, regulations and orders of other regulatory agencies, including, but not limited to, the ADEQ, ADWR and Yavapai County. Cup



of Gold Water Co. shall maintain the Water Company at a level that continues to meet these standards throughout the existence of the Water Company, even after receiving the Adjudication Not a Public Service Corporation.

18. Should any of the restrictions herein contained be held to be invalid or void, such invalidation or voidance of any such restrictions shall in no way affect the validity of the rest of the restriction.

A handwritten signature in cursive script, reading "Ida-Meri de Blanc", written over a horizontal line.

Ida-Meri de Blanc, Secretary to the Board
Cup of Gold Water Co.