



MARTINE HELEN PURCELL
95-0037682 01/23/95 10:28

When recorded mail to:

Clare H. Abel, Esq. Burch & Cracchiolo, P.A. P. O. Box 16882 Phoenix, AZ 85011

D. Fyke

DECLARATION OF

COVENANTS, CONDITIONS, RESTRICTIONS

AND EASEMENTS

FOR

PARKE PLACE

AN AVERAGE LOT SUBDIVISION

NOTICE: THE COUNTY RECORDER CANNOT INSURE THAT MARKINGS, ENTRIES OR TEXT WHICH ARE WITHIN THE STATUTORY MARKINGS, WILL APPEAR ON THE OFFICIAL PUBLIC RECORD.

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THIS DECLARATION is made this <u>20</u> day of <u>TANUARY</u>, 1995, by CENTEX REAL ESTATE CORPORATION, a Nevada corporation, as Owner, hereinafter referred to as "Declarant," and shall become effective upon recordation in the Office of the Maricopa County Recorder.

#### WITNESSETH:

WHEREAS, Declarant is now the owner of certain property in the City of Phoenix, County of Maricopa, State of Arizona, which is more particularly described as:

Lots 1 through 52, inclusive, and Tracts A and B of PARKE PLACE, according to the plat of record thereof, recorded on December 19, 1994, in the Office of the County Recorder of Maricopa County, Arizona, in Book 388 of Maps, on Page 23 thereof, and recorded at Instrument No. 94-880659, Official Records of Maricopa County, Arizona, hereinafter referred to as the "Property."

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, conveyed and occupied subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of the properties, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

#### ARTICLE I

# **DEFINITIONS**

Section 1.1 "Articles" shall mean the Articles of Incorporation of Parke Place Phoenix Homeowners' Association which are, or shall be, filed with the Corporation Commission of the State of Arizona, as said Articles are amended from time to time.

Section 1.2 "Association" shall mean and refer to Parke Place Phoenix Homeowners' Association, Inc., an Arizona nonprofit corporation, its successors and assigns.

Section 1.3 "Board" shall mean the Board of Directors of the Association.

Section 1.4 "Building" means any structure having a roof supported by columns or walls for the housing or enclosure of persons, animals or chattels and located on a lot and forming a part of such lot.

Section 1.5 "Bylaws" shall mean the Bylaws of the Association as such Bylaws may be amended from time to time.

Section 1.6 "Common Area" shall mean all real property, including improvements thereon, owned by the Association for the common use and enjoyment of the owners; such use to be defined in the Rules and Regulations as issued by the Board of Directors. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Tracts A and B of PARKE PLACE, according to the plat of record thereof, recorded in the Office of the County Recorder of Maricopa County, Arizona, in Book 388 of Maps, on Page 23 thereof, and recorded at Instrument No. 94-880659, Official Records of Maricopa County, Arizona.

Additional property within Parke Place may hereafter be brought within the jurisdiction of the Association and designated as "Common Area."

Section 1.7 "Declarant" shall mean and refer to Centex Real Estate Corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development and to whom the rights and responsibilities are assigned by a recorded instrument.

<u>Section 1.8</u> "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions and Easements as they may be amended from time to time.

<u>Section 1.9</u> "Developer" shall mean Centex Real Estate Corporation, a Nevada corporation, its successors and assigns to whom the status of Developer has been granted by a recorded instrument.

Section 1.10 "Drainage Easements" shall mean that portion of the property on Tracts A and B, including such Improvements located thereon, which are for the purpose of collecting and/or conveying storm waters, drainage or surface waters.

Section 1.11 "Front Yard Landscaping" shall mean that portion of each Lot between the back of curb and the front wall of the dwelling structure, including the garden wall returns between dwellings, exclusive of the structure, appurtenances thereto, the driveway and walkways. In those Lots with side or rear yards visible from streets, Front Yard Landscaping shall also refer to such side and rear yard areas. All of which shall be installed in accordance with the Front Yard Landscaping Standards attached hereto marked Exhibit "B" and incorporated herein by this reference.

Section 1.12 "Improvement(s)" shall mean buildings, private accessways, garages, carports, private driveways, walkways, parking areas, fences, walls, porches, patios, hedges, plantings, planters, planted trees and shrubs, swimming pools, spas, sports equipment and all other structures or landscaping improvements of every kind, nature or description.

Section 1.13 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Area.

<u>Section 1.14</u> "Mortgage," "Mortgagor" and "Mortgagee" shall mean and refer to all instruments establishing a security interest, including deeds of trust, and shall include trustors, trustees and beneficiaries under deeds of trust.

Section 1.15 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.16 "Plat" shall mean and refer to the subdivision map recorded in Book 388 of Maps, Page 23 thereof, and recorded at Instrument No. 94-880659, Official Records of Maricopa County, Arizona, a copy of which is attached hereto as Exhibit "A."

Section 1.17 "Property" or "Properties" shall mean and refer to that certain real property hereinabove described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 1.18 "Visible from Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six (6) feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

# ARTICLE II

# MEMBERSHIP AND VOTING RIGHTS

Section 2.1 Parke Place Phoenix Homeowners' Association, Inc. The Association is a nonprofit Arizona corporation, which corporation shall be the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Common Area and all other property it is required or permitted to maintain pursuant to this Declaration, and shall have the duties and powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 2.2 Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

<u>Section 2.3</u> <u>Voting Rights</u>. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the earlier of either of the following events:

- (a) Within sixty (60) days after the date when the total votes outstanding in Class A membership is greater than the total votes outstanding in the Class B membership; or
- (b) Within seven (7) years from the date of recordation of this Declaration; or
- (c) At such time as Declarant voluntarily relinquishes its Class B Membership by recording an instrument to that effect in the Office of the Maricopa County Recorder.

Section 2.4 Annexation. In the event of annexation in accordance with the Article titled "Annexation" herein, the Lots and Common Area annexed shall be considered as if they were an original part of the subdivision for all purposes, including the calculation of Class A and B members above. In no event, however, shall Class B membership continue more than seven (7) years past the date of recordation of this Declaration. Upon recordation of a Declaration of Annexation, Owners in the annexed phase shall be members and voting rights shall commence.

Section 2.5 Restoration of Class B Votes. In the event voting control of the Association passes to the Owners prior to annexation of additional property and such annexation restores voting control to the Declarant, all other Declarant's rights herein shall be restored as though never discontinued and all Class B votes shall be restricted to Lots owned by Declarant.

Section 2.6 Default. In the event any Owner is in arrears in the payment of any amount due pursuant to any provisions of

this Declaration for a period of fifteen (15) days, or shall be in default in the performance of any provision of this Declaration for a period of fifteen (15) days, said Owner's right to vote as a member of the Association shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied.

- Section 2.7 Powers and Authority of the Association. The Association shall have all the powers of a nonprofit corporation organized under the Nonprofit Corporation Law of the State of Arizona, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association by this Declaration, the Articles and the Bylaws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including without limitation:
- 2.7.1 <u>Assessments</u>. To levy assessments against Lots and to enforce payment of such assessments, all in accordance with the provisions of the Article hereof entitled "Covenant for Maintenance Assessments."
- 2.7.2 Right of Entry and Enforcement. To enter upon any Lot (excluding the interi Unificial Dogument on the dwelling thereon) or any Common Area for the purpose of ascertaining whether the provisions of this Declaration and Association Rules have been or are being complied with, for the purpose of enforcing by peaceful means any of the provisions of this Declaration or the Association Rules, or for the purpose of maintaining or repairing any such area as required to be maintained or repaired by this Declaration or the Association Rules, and such area as may be maintained or repaired by the Association, including, but not limited to, the Front Yard Landscaping. Except for routine landscaping, such entrance shall be after twenty-four (24) hours' prior written notice to the Owner, or such greater notice as may be required by any provision hereof; provided, however, that such entrance shall be permitted without any prior notice whatsoever in the event of an emergency and for Front Yard Landscaping. Association shall also have the power and authority from time to time in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and the Association Rules, and to enforce, by mandatory injunction or otherwise, all of the provisions hereof. In addition, or as an alternative method of enforcing this Declaration and the Association Rules, the Board may impose monetary penalties, temporary suspensions of an Owner's rights as a Member or other appropriate discipline for failure to comply with the provisions of this Declaration or the Association Rules, provided that the procedures for notice and hearing set forth in

the Article titled "Enforcement" are given to the accused Member before a decision to impose discipline is reached.

- 2.7.3 Easements and Access Areas. To grant and convey to any third party, easements and access ways in, on, over or under any Common Area and Drainage Easements and for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder (i) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, security system, telephone, cable television, transformers and other purposes, (ii) public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, (iii) emergency vehicle accessways, and (iv) any similar public or quasi-public improvements or facilities.
- 2.7.4 Transfer, Dedication and Encumbrance of the Common Area. To sell, transfer or encumber all or any portion of the Common Area, and any other portion of the Property owned by the Association, to a person, firm or entity, whether public or private, and to dedicate or transfer all or any portion of the Common Area or other property owned by the Association to any public agency, authority, or utility for such purposes. No such sale, transfer, encumbrance or dedication shall be effective unless an instrument signed by Declarant and by Members representing two-thirds (2/3rds) of the total voting power of the Association other than Declar Unofficial Documents been recorded, agreeing to such sale, transfer, encumbrance or dedication, and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance.
- 2.7.5 Employment of Agents. To employ the services of any person or corporation as managers, or other employees to manage, conduct, and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purpose. Such agents shall have the right to ingress and egress over such portions of the Property as is necessary for the performance of such business, duties and obligations.
- 2.7.6 Employment of Professional Advisors. To employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, landscape architects, recreation experts, architects, engineers, planners, lawyers and accountants.
- 2.7.7 <u>Borrowing of Money</u>. To borrow and repay monies for the purpose of maintaining and improving the Common Area, and to encumber property of the Association as security for the repayment of such borrowed money.
- 2.7.8 <u>Create Classes of Service and Make Appropriate</u>
  <u>Charges.</u> To create, in its sole discretion, various classes of

service and to make appropriate charges therefor to the users thereof, including, but not limited to, reasonable admission and other fees for the use of any and all recreational facilities situated in Common Areas, and to avail itself of any rights granted by law, without being required to render such services to those of its Members who do not assent to the said charges and to such other rules and regulations as the Board deems proper. addition, the Board shall have the right to discontinue any service upon nonpayment or to eliminate such service for which there is no demand or adequate funds to maintain. Without limiting the generality of the foregoing, and in addition to the foregoing, except as otherwise provided herein, the Board may negotiate contracts and grant commercial concessions over, and with respect to, portions of the Common Area, provided that any such contract (except for the initial maintenance contract) or grant having a term of more than one (1) year shall require the vote or written approval of a majority of the votes of the Association.

Section 2.8 Hold Title and Make Conveyances. To acquire, hold title to and convey, with or without consideration, real and personal property and interests therein, including, but not limited to, easements.

#### ARTICLE III

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### PROPERTY RIGHTS

<u>Section 3.1</u> <u>Suspension of Voting Rights</u>. The Association shall have the authority to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations.

Section 3.2 Transfer by Association. The Association shall have the right to dedicate or transfer easements or permits over all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 3.3 Approval of Transfer by Lienholders. Except as to the Association's rights set forth in Section 3.2 above, neither the Common Area nor improvements located thereon may be alienated, released, transferred, hypothecated, or otherwise encumbered without approval of all holders of first mortgage liens on the Lots described herein.

Section 3.4 Rules and Regulations. The Association shall have the right to establish Rules and Regulations pertaining to the use of the Common Area.

### ARTICLE IV

# COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, 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 hereinafter provided.

The annual and special assessments, together with late fees, interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with late fees, interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, or unless prior to the transfer of title as evidenced by the records of the County Recorder or other appropriate governmental agency, a lien for such assessments shall have been filed or recordered.

<u>Section 4.2</u> <u>Purpose of Assessments</u>. The assessments levied by the Association shall be used exclusively for the improvements and maintenance of the Common Areas, and such additional maintenance areas as the Association undertakes to maintain, and the performance of the duties of the Association as set forth in this Declaration.

Section 4.3 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment per Lot shall be TWENTY-FIVE AND NO/100 Dollars (\$25.00) per Lot.

- 4.3.1 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.
- 4.3.2 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

4.3.3 The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4.4 Replacement Fund. The annual maintenance assessment shall include an amount for a replacement fund which the Board of Directors determines to be adequate for the maintenance, repair and replacement of Common Area improvements, if any, and such amount shall be set aside as a pro rata portion of each installment of the maintenance assessments.

Section 4.5 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment, applicable to that year only for the purpose of defraying, in whole or in part, the cost not covered by the annual assessment 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 have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for that purpose, or at an annual meeting.

Section 4.6 Remedial Assessments. Pursuant to this Declaration, the Board may levy an assessment against any Lot to reimburse the Association for costs incurred in bringing such Lot and its Owner into compliance provisions of this Declaration, the Architectural Guidelines or Association Rules. Remedial Assessments shall be due ten (10) days after the Board gives written notice thereof to the Owner subject thereto. The provisions of the section titled "Notice and Quorum for Any Action Authorized Under Sections 4.3 and 4.5" of this Article, with respect to approval of Special Assessments and Annual Assessments, shall not apply in the case of Remedial Assessments.

Section 4.7 Reserve Fund. For the purposes of creating reserves to ensure payment when due of the cost of capital expenditures relating to the repair and replacement of the Common Area, a portion of the annual assessments shall constitute a contribution to the reserve fund of the Association. The specific items for which such contribution shall be made and the amount of such contribution in respect of each such item shall be determined by the Board, acting in its sole discretion, at the time it adopts the budget for the annual assessments in accordance with this Declaration. All such contributions shall be collected as provided herein, shall be accounted for separately and shall be held in trust and used to pay for each specific capital expenditure in such a manner and at such times as the Board, acting in its sole discretion, shall determine.

Section 4.8 Notice and Quorum for any Action Authorized
Under Sections 4.3 and 4.5. Written notice of any meeting called
for the purpose of taking any action authorized under Section 3
or 5 shall be sent to all members not less than thirty (30) days

nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum as the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.9 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

<u>Section 4.10</u> <u>Date of Commencement of Annual Assessments:</u> <u>Due Dates</u>. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth because the assessments on a specified Lot have been paid. A properly executed certificate of Association as to the status of assessments is binding upon the Association as of the date of its issuance.

Section 4.11 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid on the due date shall bear interest from the due date at a rate equal to the greater of (a) fifteen percent (15%) per annum or (b) the then prevailing interest rate per annum for single-family residential loans insured by FHA or VA. The Owner shall be liable for all costs, expenses of enforcement, late fees and interest charges against a Lot and the Association may take action against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments.

Section 4.12 Enforcement by Suit. The Board may commence and maintain a suit at law or equity against an Owner or prior Owner to enforce said assessment obligation, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, with interest thereon at a rate equal to the greater of (a) fifteen percent (15%) per annum or (b) the then prevailing interest rate per annum for single-family residential loans insured by VA or FHA during the period of delinquency, from the date of the delinquency, and all court costs and reasonable

attorneys' fees, in such amount as the court may adjudge against the delinquent Owner.

Section 4.13 Enforcement by Lien. There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments or fines levied against any and all Lots under this Declaration, together with interest thereon at the rate equal to the greater of (a) fifteen percent (15%) per annum or (b) the then prevailing interest rate per annum for single-family residential loans insured by VA or FHA during the period of delinquency from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time after the occurrence of any default in the payment of such assessment or fine, the Association or any authorized representative may, but shall not be required to make a written demand for payment to the delinquent Owner. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, or at any time after the delinquency if no written demand is made, the Association may elect to file and record a notice of assessment or fine and claim of lien on behalf of the Association against the Lot of the defaulting Owner in the Office of the County Recorder Unofficial Document icopa County, Arizona. a notice of assessment or fine and claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

- (i) The name of the delinquent Owner;
- (ii) The legal description of the Lot against which the claim of lien is made;
- (iii) The total amount of the delinquency, late fees, interest thereon, collection costs and reasonable attorneys' fees (with any proper offset allowed);
- (iv) That the notice of assessment and claim of lien is made by the Association pursuant to this Declaration;
- (v) That a lien is claimed against said Lot in an amount equal to the amount stated.

Section 4.14 Notice of Lien. A copy of the lien shall be mailed to said Owner upon such recordation of a duly-executed original or copy of such a notice of assessment or fine and claim of lien, the lien claimed therein shall immediately attach and become effective.

<u>Section 4.15 Foreclosure of Lien</u>. Any such lien may be foreclosed by appropriate action in court or in the manner

provided by law for the foreclosure of a deed of trust by exercise of a power of sale contained therein or in the manner provided by law for the enforcement of a judgment as the laws of the State of Arizona may from time to time be changed or amended. The Association shall have the power to bid in at any foreclosure sale, Trustee's sale or judgment sale and to purchase, acquire, lease, hold, mortgage and convey any Lot. Reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law and the Owner shall be deemed to have contractually agreed to payment of such costs and expenses upon recordation of this Declaration.

Section 4.16 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

# ARTICLE V

# PARTY WALLS AND SIMILAR STRUCTURES

Section 5.1 General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Lots which serves and/or separates two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, general rules of law regarding party walls and structures and liability for property damage due to negligence or willful acts or omissions shall apply hereto.

Section 5.2 Sharing Repair and Maintenance. All Owners who make use of the party structure shall share the cost of reasonable repair and maintenance of such structure equally. Except, however, those perimeter walls which surround the entire Property which shall be owned and maintained by the Owner of the adjacent Lot as to the half closest to the center of such Owner's lot and the balance shall be owned and maintained by the Association.

Section 5.3 Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users

under any rule of law regarding liability for negligent or willful acts or omissions.

Section 5.4 Right to Contribution Runs with the Land. The right of an Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor-in-title.

### ARTICLE VI

# MAINTENANCE BY THE ASSOCIATION

The Association shall maintain all the Common Areas, including the portions of the walls closest to the center of the Common Area and perimeter landscaping, drainageways, walls and improvements therein, if any.

### ARTICLE VII

## MAINTENANCE BY OWNERS

Section 7.1 Owner's Responsibility. Unless changed pursuant to the preceding Article, each Owner shall be responsible for the upkeep and maintenance of the Owner's entire Lot, including Front Yard Landous and Improvements thereon.

Section 7.2 Duty to Other Owners. An Owner shall do no act, nor any work, that will impair any easement or hereditament, nor do any act, nor allow any condition to exist which will adversely affect the other dwellings or their Owners. An Owner shall report promptly to the Association or its manager, any condition which may affect adversely any other Lot or any property maintained by the Association.

Section 7.3 Failure to Maintain. In the event any Owner of any Lot shall fail to maintain any portion of his Lot, Front Yard Landscaping or the improvements thereon which are Visible from Neighboring Property in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and any improvements erected thereon or on the areas of exclusive use. The cost of such maintenance shall be added to and become part of the assessment to which such Lot is subject. No interior maintenance shall be performed, pursuant to this section.

#### ARTICLE VIII

#### INSURANCE

Section 8.1 By The Association. The Board of Directors, or its duly authorized agent, shall have the right and duty to obtain insurance for all the improvements located on the Common Areas, against loss or damage in an amount sufficient to cover replacement cost of any repair or reconstruction work; and, to the extent reasonably available, shall also obtain a broad form public liability policy covering all Common Areas. Premiums for such insurance shall be common expenses. Such insurance coverage shall be written in the name of the Board of Directors as trustee for each of the Owners proportionately. Nothing contained herein shall prejudice the right of each Owner to insure his Lot for his own benefit. It shall be the individual responsibility of each Owner to provide, as he sees fit, homeowner's liability insurance, theft and other insurance covering personal property damage and loss. In the event of damage or destruction to the Common Areas by fire or other casualty, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the Common Areas to as good a condition as formerly existed. Board of Directors shall contract with any licensed contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed improvements. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly existed, the Board of Directors shall levy a special assessment against all Owners to make up any deficiency. In the event such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be paid over to the respective mortgagees and Owners as their interest may then appear.

Section 8.2 By The Owners. It shall be the individual duty and responsibility of each Owner to provide, as he sees fit, insurance on the improvements on his Lot in the event of damage or destruction from all reasonable hazards. Each Owner shall provide, as he sees fit, homeowner's liability insurance, theft and other insurance covering personal property damage and loss for upgraded items purchased through the Declarant and fixtures not provided by the Declarant.

#### ARTICLE IX

# DAMAGE OR DESTRUCTION OF COMMON AREA IMPROVEMENTS

The Owner of each Lot shall be liable to the Association for all damages to the Common Areas or improvements thereon caused by such Owner or any occupant of his Lot or guest, to the extent allowable under the laws of the State of Arizona.

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Each Lot Owner further agrees that these charges for repairs, if not paid within ten (10) days after completion of the work, shall be delinquent and shall become a lien upon said Owner's Lot and shall continue to be such lien until fully paid. Said lien shall be subordinate to any first mortgage or encumbrance on the subject property. Said charges shall bear interest from the date of delinquency at the greater of (a) fifteen percent (15%) per annum or (b) the then prevailing rate of interest per annum on single-family residential loans insured by VA or FHA. The amount of principal and interest owed by said Owner to the Association shall be a debt, and shall be collectible by any lawful procedure allowed by the laws of the State of Arizona.

Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association or its agent the right and power to bring all actions against such Owner for the collection of such charges and to enforce the aforesaid lien by all methods available for the enforcement of such liens and such Owner hereby expressly grants to the Association a power of sale in connection with said lien.

Nothing contained in this Article shall be construed in any way so as to relieve any insurance company from the payment of any and all amounts which would be payable under any policy or policies, had not this Article been inserted.

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In the event of a dispute between an Owner and the Board of Directors with respect to the cause of damage or the extent of repairs necessitated or with respect to the cost thereof, then, upon written request of the Owner, addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association or its Board of Directors. If no such rules have been adopted, then the matter shall be submitted to three arbitrators, one chosen by the Board of Directors, one chosen by the Owner, and these two arbitrators shall then choose a third arbitrator. arbitrators cannot agree as to the selection of the third arbitrator, then by any judge of the Superior Court of the State of Arizona in Maricopa County. A determination by any two of the three arbitrators shall be binding upon the Owner and the Association, who shall share the cost of arbitration equally. the event one party fails to choose an arbitrator within ten (10) days after personal receipt of a request in writing for arbitration from the other party, then said other party shall have the right and power to choose both arbitrators.

# ARTICLE X

### USE RESTRICTIONS

<u>Section 10.1</u> <u>Residential Use</u>. Except as otherwise provided for herein, said premises are hereby restricted to residential

dwellings for residential use, except for improvements within the Common Area. All buildings or structures erected upon said premises shall be of new construction and no buildings or structures shall be moved from other locations onto said premises, and no subsequent buildings or structures other than single-family residences shall be built on any parcel where the builder theretofore programmed and constructed a single-family house. No structures of a temporary character, trailer, basement, tent, shack, garage, motor vehicle, barn or other out building shall be used on any portion of the premises at any time as a residence, either temporarily or permanently.

Section 10.2 Limitation on Construction. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the builder of a major portion of said dwellings, upon such portion of the premises as such builder may choose to construct such facilities as in the sole opinion of said builder may be reasonably required, convenient or incidental to the construction and sale of said dwellings, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Section 10.3 Minimum Front Yard Setback. A minimum twenty (20) foot setback will be maintained on each Lot from the back of the sidewalk to the face of the garage door unless vertically opening garage doors are used, and then a minimum eighteen (18) foot setback will be maintain of Lot from the back of the sidewalk to the face of the garage door.

Section 10.4 Signs. No advertising signs (except one of not more than five (5) square feet "for rent" or "for sale" per parcel), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Lot or any resident thereof. Further, no business activities of any kind whatsoever shall be conducted on any Lot or on any portion of the premises; provided further, however, the foregoing covenants shall not apply to the business activities, signs and billboards, or the construction and maintenance of buildings, if any, of the builder, its agents and assigns during the construction and sale period, and of the Association, its successors and assigns, in the furtherance of its powers and purposes, as herein set forth.

Section 10.5 Exterior Maintenance. All clotheslines, equipment, garbage cans, service yards, woodpiles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring dwellings and streets. All rubbish, trash or garbage shall be regularly removed from each Lot, and shall not be allowed to accumulate thereon.

<u>Section 10.6</u> <u>Alterations and Improvements</u>. No Improvements of any type or any structural or any other alteration to any Improvements, or any exterior additions or modifications to any Improvements (including, but not limited to, painting and solar panel installations), shall be made, constructed or maintained upon any Lot until the plans and specifications therefor showing the appearance, height, materials and color therefor, a plot plan showing the location thereof and appropriate grading plans for the site upon which any structure is to be or is located shall have been approved by the Architectural Review Committee in the manner set forth herein. All alterations and Improvements may be subject to timetables (for commencement and completion) as established by the Architectural Review Committee. In addition, all Improvements, alterations, additions, or modifications shall be subject to the ordinances of the City of Phoenix. In addition to the provisions of this Declaration, each and every Owner shall be subject to the Association Rules, including, but not limited to, architectural and landscaping rules.

<u>Section 10.7</u> <u>Landscaping</u>. Each Lot shall be maintained by the Owner in a tidy manner. No Owner may alter the landscaping in the Common Areas.

- Section 10.8 Maintenance By Owner. Except as otherwise provided herein, the Owner of each Lot shall maintain all Improvements on his Lot in a clean and attractive condition, and without limiting the generalium the foregoing, the Owner of each Lot shall:
- (i) keep his Lot free from rubbish, litter and noxious weeds;
- (ii) install, maintain, cultivate and keep in good condition and repair, shrubs, trees, grass, lawns, plantings and other landscaping located or from time to time placed upon the side and rear yards of his Lot;
- (iii) trim and restrain all trees, shrubs or plantings of any kind so that they shall not be allowed to overhang or otherwise encroach upon, above or below any walkway, or adjoining Lot, unless prior approval of the Architectural Review Committee or adjoining Lot Owner is obtained;
- (iv) maintain in good condition and repair and adequately paint or otherwise finish all Improvements and structures located or from time to time placed upon his Lot;
- (v) maintain all walkway surfaces and keep them clean, reasonably dry and free of oil and other extraneous matter.
- (vi) install, maintain, cultivate and keep in good condition and repair, shrubs, trees, grass, lawns, plantings and other Front Yard Landscaping in accordance with the Front Yard

Landscaping Standards attached hereto marked Exhibit "B" and incorporated herein by this reference.

Section 10.9 Owners' Noncompliance With Landscaping And Maintenance Requirements. In the event an Owner shall fail to comply with the provisions of the paragraph above titled "Maintenance by Owner," the Association shall notify such Owner in writing of such specific lack of compliance, which notice shall specify the nature of such lack of compliance. If such Owner fails to remedy such lack of compliance within five (5) days after receipt of such notice (or within such greater time period as may be specified in such notice), or, in the alternative, fails to deliver written notice to the Board within five (5) days from receipt of such notice requesting a hearing before the Board with regard to the matters of noncompliance set forth in such notice, the Association or its authorized agents shall have the right to enter upon such Owner's Lot for the purpose of remedying the matters set forth in the notice, and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall schedule a hearing and shall provide the Owner with at least seven (7) days' written notice as to the date, time and place thereof. At the hearing, the Owner will have an opportunity to discuss with the Board the merits of the claims set forth in the Association's original notice of noncompliance, and the Board will determine what action, if any, need be taken by the Owner and the time within this ch it must be accomplished. The decision of a majority of the members of the Board present at the hearing will be binding upon the Association and the Owner, subject only to legal remedies instituted within twenty (20) days of the Board's decision. In the event it is determined that the Owner has not complied with the provisions of the paragraph titled "Maintenance by Owner" of this Article, the Board shall establish a reasonable time within which the Owner shall so comply. The cost to the Association of remedying such Owner's failure to comply with the provisions of this paragraph shall be assessed to the Owner as a Remedial Assessment, enforceable in the manner provided in the Article of this Declaration titled "Assessments." The authority of the Board to require the painting or other maintenance of the Dwelling shall be limited to those portions of the Dwelling Visible From Neighboring Properties or streets.

Section 10.10 Power Tools And Other Equipment. No power tool, communication equipment or other device shall be used on the Property which causes interference with cable TV reception and other electronic devices unless the prior written consent of the Architectural Review Committee has been obtained.

Section 10.11 Obnoxious And Offensive Activities. No obnoxious or offensive activity shall be carried on, in or upon any Lot or any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or which may in any way interfere with the quiet

enjoyment by each of the Owners of his respective Lot, or which shall in any way increase the premium rate of insurance.

Section 10.12 Garage Doors. Garage doors are to be kept closed at all times, except when not in immediate use for ingress and egress of vehicles and equipment.

Section 10.13 Compliance With Laws. Each Owner shall promptly comply with all laws, statutes, ordinances, rules and regulations of federal, state or municipal governments or authorities applicable to use and occupancy of and construction and maintenance of any Improvements.

Section 10.14 Extraction Of Minerals. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted on any Lot, nor shall oil wells, tanks, tunnels or mineral excavations be permitted on any Lot or within five hundred (500) feet below the surface of any Lot and no derrick or other structure designed for use in boring for water, oil, or natural gas shall be erected, maintained or permitted upon any Lot.

Section 10.15 Commercial And Professional Use. No Lot shall be used in a manner which results in the unreasonable use (quantity of use or otherwise) of any portion of the Common Area. Nothing herein shall be deemed to prevent the leasing of any Lot from time to time by the Owner thereof for residential purposes subject only to all of the provisions of this Declaration.

Section 10.16 Grades, Slopes And Drainage. No Owner of any Lot shall in any manner alter, modify or interfere with the grades, slopes or drainage on any Lot or on the Common Area without the express written permission of the Architectural Review Committee and then only to the extent and in the manner specifically approved. No structure, plantings, or other material shall be placed or permitted to remain on or within any slopes nor shall any other activities be undertaken by the Association or by any other person which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels or across Lots.

Section 10.17 Chemicals. The Architectural Review Committee shall have the power, but not the duty, from time to time to determine that the use of particular chemicals on any Lot constitutes or would constitute a clear danger to the residents, and to publish the names of such chemicals and prohibit their use. No chemical so prohibited shall be used on or above any prohibit specified chemicals, including, but not limited to, pesticides and herbicides, from use on or above the open surface area of any Lot, or above any Lot, whether once or intermittently or continuously, if such chemical or any product or residue

thereof does or may seep, drain, flow, drift or otherwise migrate into any natural or artificial waterway or body of water existing in the Property, into or above any part of the Common Area, or into or above any other Lot.

Section 10.18 Poisonous Plants And Allergens. The Architectural Review Committee shall have the power, but not the duty, from time to time, to determine that the use of particular plants in landscaping on any Lot or Common Area constitutes or would constitute a danger to residents and others because of the poisonous nature of the plant or likelihood of allergic reactions caused by contact, ingestion of the plant, or airborne pollens. No plant so prohibited shall be used on any Lot or Common Area.

Section 10.19 Open Fires. Exterior fires and barbecues shall be prohibited except in confined pits or barbecue facilities designed for such purpose, and no refuse shall be burned on the Property.

Section 10.20 Noise. No power tools, speaker, horn, whistle, bell or other similar sound facility or equipment shall be permitted upon any Lot which is capable of producing any sound in excess of sixty-five (65) decibels measured at a point one hundred (100) feet from (i) the outside of any Improvement within which the sound emanates or (ii) the speaker or other similar sound facility or equipment from which the sound emanates. No activity shall be undertaken undertaken upon any Lot, which activity causes any sound, whether intermittent, recurrent or continuous, in excess of forty-five (45) decibels measured at any point on the boundary line of said Lot. Decibel measurements shall be the average of at least three (3) and at most five (5) decibel readings by a qualified engineer. In the event an Owner is in violation of this section, the cost of retaining the qualified engineer may be assessed against the Owner as a Remedial Assessment. The foregoing provisions of this Section shall not, however, prohibit the installation or use of devices designed and used solely for security purposes.

Section 10.21 Animals, Pets. No animals except two (2) domesticated dogs or cats or one (1) dog and one (1) cat permanently confined indoors shall be maintained within the Property, and then only if kept as a pet. No animal of any kind shall be permitted which in the opinion of Declarant makes an unreasonable amount of noise or odor or is a nuisance. No animals shall be kept, bred or maintained within the Property for any commercial purposes. Pets shall not be allowed loose or unsupervised on any part of the Property and walking of pets shall be allowed only on such portions of the Property as the Board may prescribe by its rules and regulations. If the Board determines that walking of pets shall be permitted on the Property, Owners shall carry such equipment as necessary and shall leave the Property free from animal waste. The Board may establish fines for violation of this section, which fines shall

be enforceable as for an assessment lien. Where such written permission is granted, privilege is revocable if the animal becomes obnoxious to other residents, in which event the Owner or person having control of the animal shall be given a written notice to correct the problem, or if not corrected, the Owner, upon written notice, will be required to dispose of the animal. The written notices provided for herein shall be issued by the Managing Agent or, if there is no Managing Agent, then, by one or more of the members of the Board of Directors. The Board may establish fines for violation of this Section, which fines shall be enforceable as per an assessment lien.

Section 10.22 Parking Restrictions. No Owner shall do anything which will in any manner prevent the streets and the Common Areas from at all times being free and clear of all obstructions and in a safe condition for vehicular use. So that the Association and Property may function in an orderly manner, it shall be the duty and obligation of every Owner on behalf of himself, his family, tenants, servants, guests and invitees to observe and enforce the parking restrictions. It shall further be the duty and obligation of the Board to observe and determine that parking restrictions are followed and enforced:

- 10.22.1 No Owner shall permit any vehicle, bicycle or other object to be or remain parked on any street.
- 10.22.2 No inoperation vehicles of any kind shall be stored or parked on any Lot or Common Area. Inoperative vehicle shall be defined as any motor vehicle which does not have current license plates and/or is not in working order.
- 10.22.3 No motor homes, trailers of any kind, boats, all terrain vehicles or other recreational means of transportation, commercial vehicles, except those used during construction of the Improvements, trucks, campers, whether attached or detached, shall be kept, placed, maintained, constructed, reconstructed or repaired on the Common Area or any driveway.
- 10.22.4 In addition to the other enforcement provisions contained within this Declaration, the Board may have any offending vehicle upon the Property removed from the Property to a commercial storage lot after notice to the Owner, if reasonably possible, or after posting the vehicle for six (6) hours with notice that the vehicle will be towed if it is not brought into compliance, if such notice or posting is consistent with safe practice. The recording of this Declaration shall be deemed to put every Owner, guest and invitee on notice of this provision as though the Common Areas were posted in accordance with applicable statutes of the State of Arizona and ordinances of the City of Phoenix or its successor. Any car parked within a posted fire lane may be removed without notice.

Section 10.23 Subdividing. The Common Area shall remain undivided and shall, at all times, be owned by the Association or its successors, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Area. (None of the Lots shall be re-subdivided into smaller Lots or conveyed or encumbered in less than the full original dimensions as shown on the recorded plat. A Lot and the appurtenant right to use of the Common Area shall not be separately conveyed. No Lot shall be time shared or conveyed in shared rights of use.) The purpose of this restriction is to prohibit shared ownership or interval use of such Lot or the over-burdening of Common Areas.

Section 10.24 Outside Lighting. Except as may be initially installed by Declarant, no spotlights, floodlights or similar type high intensity lighting shall be placed or utilized upon any Lot or Common Area which in any way will allow light to be reflected on any other Lot or the improvements thereon or upon the Common Area or any part thereof without the written authorization of the Board. Other types of low intensity lighting which do not disturb the Owners shall be allowed.

Section 10.25 Windows and Awnings. No reflective materials, including, but not limited to, aluminum foil, reflective screens or glass, mirrors or similar type items shall be permitted to be installed or placed on the output of any windows or any other part of a Lot which can be seen from outside the development, other Lots or Common Areas. Further, no awnings or screens of any nature whatsoever shall be permitted to be placed or installed on or attached to the outside of any of the dwellings, or elsewhere on a Lot, except those initially installed by Developer or approved by the Architectural Review Committee. The Committee may approve in advance window coverings of specific material, manufacturer, model number or other specifications in its sole discretion.

Section 10.26 Antennas. No towers, antennas, aerials or other facilities for the reception or transmission of radio or television broadcasts or other means of communication shall be erected or permitted to be erected and maintained on any Lot, except by installations inside dwellings or by underground conduits, without the prior written consent of the Architectural Review Committee.

Section 10.27 Fence Restrictions. Notwithstanding any other provisions herein to the contrary, any fence or similar structure located on the northern boundary of Lot 1, and Lots 18 through 27, and any fence or similar structure located on the southern boundary of Lots 30 and 31 adjacent to Tract A, any fence or similar structure located on the eastern boundary of Lots 34 through 37 adjacent to Tract A and any fence or similar structure located on the western boundary of Lots 38 through 41 adjacent to Tract A shall be constructed so that the fence or

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other structure shall not impede views from or through the Lot. Subject to the approval of the Architectural Review Committee such fence may consist of a masonry base not to exceed two feet in height with wrought iron fence not to exceed five (5) feet in height on the masonry base.

Section 10.28 Business Activities. No business activities of any kind shall be conducted on any Lot or any portion of the premises; provided however, the foregoing covenant shall not apply to the business activities, if any, of the Declarant, or its agents and assigns, during the construction and sale period, or to such activities of the Association, its successors or assigns, in furtherance of its powers and purposes, as herein set forth. Notwithstanding the foregoing and subject to the ordinances of the City of Phoenix, an Owner or occupant may have a home office within a Building on a Lot, provided that he or she first obtains written approval of the Board to maintain such home office. Such approval shall be conditioned upon the following restrictions:

- (a) The business shall be carried on by a member or members of the family residing in the dwelling.
- (b) The business shall clearly be incidental and secondary to the use of the dwelling for residential purposes and occupies no more than 25% of the usable area within the dwelling.
- (c) No one other than the resident(s) of the dwelling shall be employed in the business at the dwelling.
- (d) There shall be no exterior display, signs, storage or other indication of the home office or variation from the residential character of the dwelling.
- (e) The activity shall be limited to the hours between 7:00 A.M. and 9:00 P.M.
- (f) No offensive noise, vibration, smoke, dust, odors, heat or glare shall be produced.
- (g) The street address of the home office shall not be included in any off-site signs, advertising or printed materials.
- (h) The business shall comply in all respects with applicable laws, regulations and ordinances of the United States, State of Arizona, City of Phoenix and other applicable governmental entities.
- (i) The Board may impose such other restrictions or limitations as are determined appropriate by the Board.
- Section 10.28 Declarant Exempt. Notwithstanding anything contained herein to the contrary or otherwise, none of the use restrictions contained in this Article nor any other restriction

contained in this Declaration shall be construed or deemed to limit or prohibit any act of Declarant, or its employees, agents and subcontractors or parties designated by it in connection with the construction, completion, sale or leasing of the dwellings and Lots.

#### ARTICLE XI

#### ARCHITECTURAL REVIEW

# Section 11.1 Architectural Review Committee.

- 11.1.1 <u>Purpose</u>. It is the intention of Declarant, while imposing the within covenants, conditions and restrictions in order to provide for the orderly and attractive development of the Property, to provide through the Architectural Review Committee described herein a means by which the architectural and landscaping standards set forth in this Declaration, in Rules adopted by the Committee, and as ad hoc decisions of the Committee, will be enforced for proper development and operation of the Property.
- 11.1.2 Establishment of Committee. The Architectural Review Committee shall consist of a maximum of five (5) individuals. The terms "Architectural Review Committee" and "Committee," as used herein, United Document\_effer to such committee.
- 11.1.3 <u>Initial Members</u>. The following persons are hereby designated as the initial members of the Architectural Review Committee established hereby:

Michael Trailor James P. Retzer Steve Miller Richard Faul

All of the rights, powers and duties of the Architectural Review Committee as set forth in this Declaration are hereby delegated to the Architectural Review Committee established hereby.

11.1.4 Appointment, Removal and Resignation. The right to appoint and remove all members of the Architectural Review Committee at any time, shall be and is hereby vested solely in the Board; provided, however, that no initial member of the Architectural Review Committee may be removed, nor any successor appointed for an initial member who dies or resigns, except by Developer prior to the sale of ninety percent (90%) of the Lots. Any member of the Architectural Review Committee may at any time resign from the Committee by giving written notice thereof to the Developer, if, pursuant to this paragraph, Developer has the right to appoint a successor to such member, or, if Developer does not have the right, to the Board. Members

of the Committee are not required to be Members of the Association.

- 11.1.5 <u>Vacancies</u>. Except as otherwise provided herein for Declarant, vacancies on the Architectural Review Committee, however caused, shall be filled by vote of a majority of the members of the Board. A vacancy shall be deemed to exist in case of the death, resignation or removal of any member. Failure of the Board to fill any vacancy in the Committee shall not prevent:
- (i) the running of the sixty (60) day automatic approval period specified in the Section titled "Operation of Committee" of the Article hereof titled "Architectural Review," or
- (ii) action by the Committee on any matter to the extent that a majority thereof each join in and consent thereto.
- Section 11.2 Meetings. The Architectural Review Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of a majority of members, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is specifically required under any provision of this Declaration. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise.

Section 11.3 Duties. It shall be the duty of the Architectural Review Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to administer Rules pertaining to architecture and landscaping, to ensure that any Improvements constructed or installed on the Property by anyone other than the Declarant conform to plans approved by the Architectural Review Committee, to perform other duties delegated to it by the Declarant within the time periods set forth herein, and to carry out all other duties imposed upon it by this Declaration. The Architectural Review Committee, in its own name or on behalf of the Association, may exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction of Improvements on the Property or any portion thereof.

### Section 11.4 Operation Of Committee.

- 11.4.1 <u>Documents Required</u>. The Committee may require the submission to it of any or all of the following documents and such additional documents which it determines to be reasonably appropriate to the activity for which consent is requested:
- (i) all required documents set forth in its Rules, if any, including, without limitation, soil reports, if required by the Committee;

- (ii) a written description;
- (iii) plans and specifications;
- (iv) schematics;
- (v) elevations;
- (vi) a plot plan showing the location of the proposed Improvement; including the location of the Building setback lines; and
  - (vii) timetables.
- 11.4.2 <u>Information Required; Time of Application</u>. All submissions to the Architectural Review Committee shall:
- (i) show the address of the party submitting the same;
- (ii) be in as many copies as there are Architectural Review Committee members;
- (iii) be deemed made when actually received in complete form by the Committee and the Committee has requested no further information or revisions; and
- (iv) state in writing the specific matters for which approval is sought.
- 11.4.3 Committee Discretion. The Committee, before giving such approval, may require that changes be made to comply with the requirements of this Declaration, the Association Rules and such additional requirements as the Committee may, in its absolute discretion, impose as to structural features of any proposed Improvement, the type of material used, or other features or characteristics thereof not expressly covered by any provisions of this instrument, including the location of any proposed Improvement with respect to the topography and finished ground elevation. The Committee may also require that the exterior finish and color, the architectural style or character of any proposed Improvement which constitutes a Building or structure, and the landscaping plan shall be such as in the discretion of the Committee shall be deemed suitable in view of the general architectural style and character of existing Improvements within the Property.
- 11.4.4 <u>Conditional Approval</u>. The Committee, before giving its approval, may impose conditions or require changes to be made which in its discretion are required to ensure that the proposed Improvement will not detract from the appearance of the Property, or otherwise create any condition unreasonably disadvantageous to other Owners or detrimental to the Property as a whole.

- 11.4.5 Evidence of Approval. One of the sets of submissions to the Committee shall be retained by it. In the event the Committee approves or is deemed to approve the activity for which consent is required, the Committee shall endorse its consent on all copies and all but one set shall be mailed by the Committee, postage prepaid, to the address specified by the submitting party unless such party shall elect to accept delivery thereon in person or by agent so authorized in writing.
- 11.4.6 <u>Automatic Approval</u>. If the Committee fails to mail its certificate with regard to any matter submitted to it hereunder, within sixty (60) days after submission of all materials required by the Committee to be submitted to it, it shall be conclusively presumed that the Committee has approved the specific matters as to which approval was sought in the submission. It shall thereupon be the duty of the members of the Committee, forthwith upon the request of the submitting party, to sign and acknowledge a certificate evidencing such approval.
- 11.4.7 Fees. As a condition precedent to its consideration of or action upon any material or matter submitted to it hereunder, the Committee shall be entitled to receive a sum fixed by it from time to time for each set of plans, specifications, drawings or other material so submitted. Notwithstanding the provisions of the section above titled, "Information Required; Time of Application" above, until the requisite sum shall have been provided to it as provided herein, any material delivered to the Committee shall not be considered to have been submitted to the Committee for the purposes of this Declaration.
- 11.4.8 Records of Committee Action. All actions of the Committee shall be noted in the minutes of the Board.
- 11.4.9 <u>Recording of Approval</u>. No certificate of the Committee shall be recorded by the Committee or any member thereof, but the same may be recorded by the party submitting the material concerning which the certificate was made.
- 11.4.10 <u>Sole Discretion of Committee</u>. All action by the Committee authorized in this Declaration shall be within its sole discretion.
- 11.4.11 <u>Declarant Exemption</u>. The provisions of this Article shall not apply with respect to construction by Declarant of Improvements within the Property.
- 11.4.12 <u>Professional Advisors</u>. The Architectural Review Committee shall, from time to time or as a continuing service, have the right to employ professional advisors for the purpose of reviewing submitted plans, with the cost of hiring to be paid by the Owner submitting the plans.

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Section 11.5 Access To Property. Each member of the Committee, or any other agent or employee of the Board, shall at all reasonable hours have the right of access to any part of the Property, and to any structures being built thereon, for the purpose of inspection relative to compliance with this Declaration.

Section 11.6 Waiver. The approval or disapproval by the Committee of any plans, specifications, drawings, grading plans, heights, or any other matters submitted for approval or consent shall not be deemed to be a waiver by the Committee of its right to approve, disapprove, object or consent to any of the features or elements embodied therein when the same features or elements are embodied in other plans, specifications, drawings or other matters submitted to the Committee.

Section 11.7 Liability. Neither the Association, the Board, the Committee nor any of its members shall be responsible for any defects in any Building, Improvement or other structure or planting erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications, color scheme, timetable or other material approved by them or any conditions or requirements that they may have imposed with respect thereto, nor shall the Association, the Board, the Committee or any of its members have any liability for the inability of anyone to obtain a building permit for the construction or alteration of """ ilding or structure pursuant to plans and specifications approved by the Committee.

#### ARTICLE XII

# ANNEXATION AND WITHDRAWAL

Section 12.1 Annexation. The Declarant, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties within the area described in the Plat of record without the consent of the Members until seven (7) years from the date of recordation of this Declaration, in accordance with the general plan of development. The annexations authorized pursuant to this Article shall be made by filing of record a Declaration of Annexation, or similar instrument, with respect to the additional properties which shall extend the scheme of this Declaration to such properties, as of the date of filing. Such Declarations may contain such complimentary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such supplementary Declarations, merger or consolidation, revoke, modify or add to the covenants established by this Declaration.

Section 12.2 Withdrawal. Notwithstanding any other provisions of this Declaration, Declarant reserves the right to amend this Declaration so long as it has the right to annex additional property pursuant to this Article, without prior notice, for the purpose of removing property then owned by Declarant or its assignees from coverage of this Declaration, to the extent originally included in error or as a result of any changes in Declarant's plans for the Property, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Property.

### ARTICLE XIII

### EASEMENTS

Section 13.1 Blanket Easement for Utilities. hereby created a blanket easement upon, across, over and under the Common Area and all of the Lots of the subject property for ingress, egress, installation, replacing, repairing, maintaining and reading meters for all utilities, including, but not limited to, water, sewers, gas, telephones and electricity, and a master television antenna system, if any. By virtue of this easement, it shall be permissible for the providing electrical and/or telephone company to erect and maintain the necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and unofficial Document ts on, above, across and under the roofs and exterior walls of said dwellings. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, Common Area sprinkler lines or other utilities may be installed or relocated on said premises, except as initially programmed and approved by the major builder of said premises or as approved by the Association's Board of Directors. This easement shall in no way affect any other recorded easements on said premises.

Section 13.2 Easements of Encroachment. Each Lot and the Common Areas shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist. In the event any structure is partially or totally destroyed and then rebuilt, the Owners agree that minor encroachments of parts of the adjacent Lots, dwellings, or Common Areas due to construction, settling and overhangs shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist. Notwithstanding any provisions herein to the contrary, any encroachment permitted herein shall not exceed two feet.

Section 13.3 Easements on Common Area. There is hereby created a blanket easement upon and across the Common Area in favor of (1) each Lot Owner and his guests and invitees for the purpose of providing ingress and egress to the Lot owned by said

Owner, (2) the Association and its invitees, employees or independent contractors for the purpose of providing landscaping or other maintenance to the Common Area, (3) the Declarant and its invitees, employees or independent contractors for the purpose of (a) providing landscaping and other maintenance to the Common Areas, (b) constructing and completing improvements to Lots, Common Areas and other property whether subsequently brought within the Properties or not, and (c) for any activities related to the promotion and sale of any of the Lots or any Lots whether subsequently brought within the Property or not, and (4) private and governmental suppliers of services such as mail delivery and refuse removal, their agents and employees.

Section 13.4 Easements on Lots. There is hereby created a blanket easement upon, across, over and under the Lots in favor of the Declarant and the Association, their respective invitees, employees or independent contractors for the purpose of maintaining or replacing any improvements upon such Lots to the extent the Declarant and/or the Association have the authority under this instrument or any contract for sale, to undertake such maintenance or replacement.

Section 13.5 Public Utility Easement. There shall be created a Public Utility Easement upon, across, over and under the Lots as identified on the final plat attached as Exhibit "A" for the purpose of maintaining public utilities, including water, sewer, electric, telephone, cuming public utilities, and emergency vehicle access.

Section 13.6 Site Distance Triangle. In order to maintain visibility at the intersections of streets, there is hereby created on Lots 10, 11, 28, 33, 37, 41 and 42, inclusive, a Site Distance Triangle in the area shown on the Plat. No structures, improvements or landscaping within that Site Distance Triangle shall exceed three (3) feet in height.

Section 13.7 Drainage Easement. There is hereby created a drainage easement in Tracts A and B for the benefit of all Owners of Lots, but maintained by the Association for the purpose of installation, maintenance and repair of drainage and stormwater conveyance facilities. No structure of any kind shall be constructed or any vegetation be planted nor be allowed to grow within the drainage easement or area which would impede the flow of water over, under or through the easement area.

#### ARTICLE XIV

### **GENERAL PROVISIONS**

Section 14.1 Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of

this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 14.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 14.3 <u>Duration</u>, <u>Amendment</u>. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be extended automatically for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than two-thirds (2/3rds) of the Lot Owners. Any amendment must be recorded. (This Declaration may be amended by the Declarant to meet the requirements of the VA, FHA, FNMA, GNMA, FHLMC or a similar agency or organization, if necessary for financing of any Lot, and each Owner hereby agrees to such necessary amendment.)

Section 14.4 FHA/VA Approval. Providing the Federal Housing Administration or the Veterans Administration has issued commitments to insure one or more mortgages upon the Properties and as long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veteran under istration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions, Restrictions and Easements.

Section 14.5 Lease Agreements. Any lease agreement between a Lot Owner and a lessee shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Articles of Incorporation and the Bylaws, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. Other than the foregoing, there is no restriction on the right of any Lot Owner to lease his home.

<u>Section 14.6</u> <u>Mortgagee Protection</u>. The Association will give ten (10) days' prior written notice to each institutional mortgagee before the Association or its members take any of the following actions:

- 14.6.1 Abandonment or termination of the status of the planned development as it presently exists.
- 14.6.2 Any amendment to the Articles of Incorporation, the Declaration of Covenants, Conditions, Restrictions and Easements, or Bylaws (or equivalent documents).

- Section 14.7 Condemnation. Proceeds of any condemnation, or settlement in lieu thereof, of the Common Areas shall be paid to the Board of Directors as Trustee for the Owners and mortgagees. Such funds shall be applied, if possible, to restoring the Common Areas to as near original condition as possible. Any excess shall be distributed to the Owners and mortgagees, as their interests appear.
- Section 14.8 Notices. Any notice required to be sent to any Owner under the provisions of the Declaration shall be deemed to have been properly sent when mailed postpaid to the last known address of the person who appears as Owner or member on the records of the Association at the time of such mailing.
- 14.8.1 The Association shall give each institutional mortgagee written notice of any condemnation of any part of the Common Area, or damage thereto, exceeding Ten Thousand Dollars (\$10,000) in amount.
- 14.8.2 That any institutional mortgagee shall upon request be entitled to:
- (1) Inspect the books and records of the Association during normal business hours.
- (3) Receive written notice of all meetings of the Association and designate a representative to attend such meetings.
- 14.8.3 So long as the Federal National Mortgage Association ("FNMA") or Government National Mortgage Association ("GNMA") is a mortgagee of a Lot in the planned development, or Owner of a Lot therein, the Association shall maintain in effect at least such casualty, flood and liability insurance and a fidelity bond, meeting standards established by FNMA and GNMA for planned developments, as published in the FNMA and GNMA "Servicer's Guide" or otherwise, except to the extent such requirements shall have been waived in writing by FNMA or GNMA.

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# ARTICLE XV

### EXHIBITS

The following exhibits are attached to this Declaration:

Exhibit "A" A copy of the recorded Plat

Exhibit "B" Front Yard Landscape Standards

CENTEX REAL ESTATE CORPORATION, a Nevada corporation

By: Adw Daln Its: DIVISION PRESIDENT

STATE OF ARIZONA

ss.

County of Maricopa

Unofficial Document

On this 20th day of ADWARJ, 1995, before me, the undersigned Notary Public, personally appeared MICHAEL TRAILER, who acknowledged himself to be the Division President of CENTEX REAL ESTATE CORPORATION, a Nevada corporation, and that he, as such officer, being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of said corporation, by himself, as such officer.

WITNESS my hand and official seal.

Dorstly anderses

My Commission Expires:

OFFICIAL SEAL
DOROTHY ANDERSEN
Notery Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Nov. 29, 1995

<u>ب</u>

S 94032 DIS # 43533 QS # 37-32

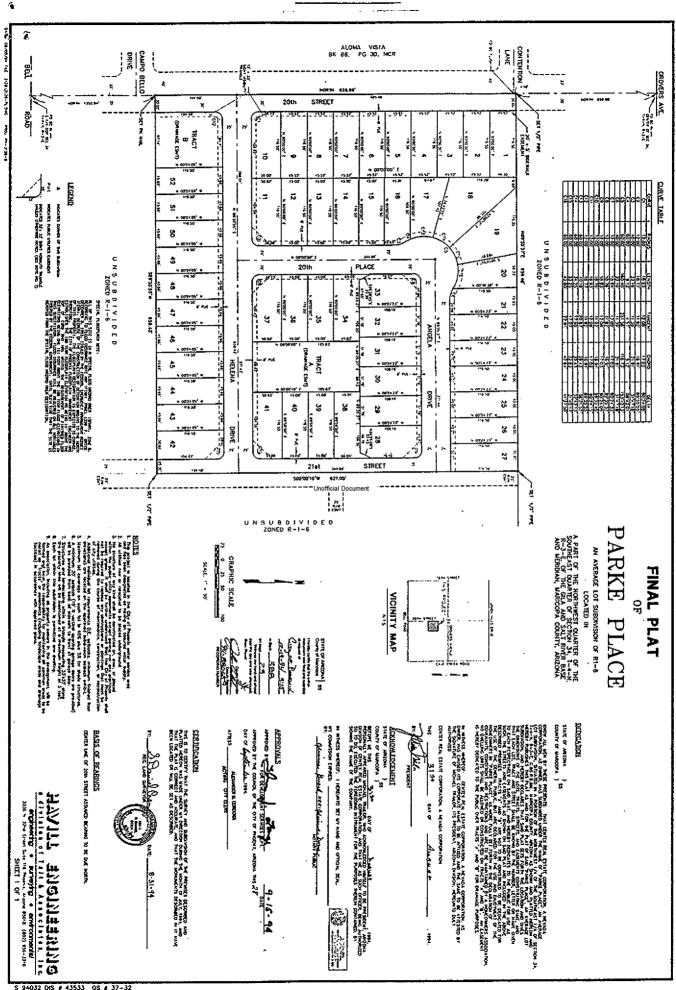


EXHIBIT "B"

# **PARK PLACE**

# FRONT YARD LANDSCAPING

# I. CHOICE OF LANDSCAPE PACKAGES:

# A. STANDARD GRASS PACKAGE

- 2 15 GALLON TREES
- 5 5 GALLON SHRUBS
- 6 1 GALLON GROUND COVERS
- 250 SQ FT SEED LAWN (PER SEASON) MAX.
- 30 L.F. MAX BRICK END TO END
- 3/4" SCREENED MADISION GOLD GRANITE (FRONT YARD)

MANUAL IRRIGATION SYSTEM

# B. GRANITE/GROUNDCOVER PACKAGE

- 2 15 GALLON TREES
- 8 5 GALLON SHRUBS
- 8 1 GALLON GROUND COVERS

3/4" SCREENED MADISON GOLD GRANITE (FRONT YARD) MANUAL IRRIGATION SYSTEM

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