

WHEN RECORDED, RETURN TO:

DONALD E. DYKMAN, ESQ.  
O'Connor, Cavanagh, et al.  
One E. Camelback  
Suite 1100  
Phoenix, Arizona 85018

OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL

93-0252747

04/28/93 08:03

1993 " " "

**43 - UNIFORM  
PICK-UP AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
PREMIERE AT PINNACLE PEAK**

This Amendment to Declaration of Covenants, Conditions and Restrictions for Premiere at Pinnacle Peak (this "Amendment") is made as of April 26, 1993, by Pulte Home Corporation, a Michigan corporation (the "Declarant").

**RECITALS**

A. A Declaration of Covenants, Conditions and Restrictions for Premiere at Pinnacle Peak was recorded at Recording No. 92-0313171, records of Maricopa County, Arizona, subjecting the real property described on Exhibit A to the Declaration to the covenants, conditions and restrictions set forth in the Declaration for the purpose of establishing a general plan for the development, sale, lease and use of the planned community known as Premiere at Pinnacle Peak. The Declaration of Covenants, Conditions and Restrictions was subsequently amended by the instrument recorded at Recording No. 92-0556378, records of Maricopa County, Arizona. The Declaration of Covenants, Conditions and Restrictions, as previously amended, shall be referred to in this Amendment as the "Declaration."

B. Capitalized terms used in this Amendment without definition shall have the meanings specified for such terms in the Declaration.

C. Section 2.2 of the Declaration granted the Declarant the right to annex and subject to the Declaration all or any portion of the Additional Property by recording an Amendment to the Declaration setting forth the legal description of the Additional Property being annexed and describing any portion of the Additional Property which would be Common Area.

NOW, THEREFORE, the Declarant declares as follows:

93 252747

1. Pursuant and subject to the provisions of Section 2.2 of the Declaration, Lots 77 through 133, inclusive, and Tract B, Premiere at Pinnacle Peak, according to the plat recorded in Book 350, Page 38, records of Maricopa County, Arizona, together with all improvements located thereon, are hereby annexed and subjected to the Declaration. Tract B shall be Common Area.

2. Except as expressly amended by this Amendment, the Declaration shall remain in full force and effect.

PULTE HOME CORPORATION, a Michigan corporation

By: Willis W. Martin

Its: VP

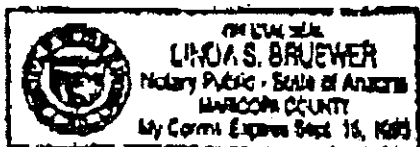
STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me this 26<sup>th</sup> day of April, 1993, by Willis W. Martin, the V.P. of Pulte Home Corporation, a Michigan corporation, on behalf of the corporation.

Linda S. Bruewer  
Notary Public

My Commission Expires:

9.15.93



|  |              |              |              |
|--|--------------|--------------|--------------|
| Post-It™ brand fax transmittal memo 7671 |              | # of pages ▶ | 2            |
| To                                       | <u>Linda</u> | From         | <u>Linda</u> |
| Co.                                      | <u>AMC</u>   | Co.          | <u>PHC</u>   |
| Dept.                                    |              | Phone #      |              |
| Fax #                                    |              | Fax #        |              |

WHEN RECORDED, RETURN TO:

OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL

②  
DONALD E. DYEKMAN, ESQ.  
O'Connor, Cavanagh, et al.  
One E. Camelback, Suite 1100  
Phoenix, AZ 85012-1656

92-0556378

10/02/92 04:12

LARRY 95 OF 129

43  
**AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
PREMIERE AT PINNACLE PEAK**

This Amendment to Declaration of Covenants, Conditions and Restrictions for Premiere at Pinnacle Peak (this "Amendment") is made as of this 29<sup>th</sup> day of Sept., 1992, by Premiere at Pinnacle Peak Homeowners Association, an Arizona nonprofit corporation (the "Association").

**RECITALS**

A. A Declaration of Covenants, Conditions and Restrictions for Premiere at Pinnacle Peak (the "Declaration") was recorded at Recording No. 92-0313171, records of Maricopa County, Arizona, to establish a general plan for the development, sale, lease and use of the planned development known as Premiere at Pinnacle Peak.

B. Capitalized terms used in this Amendment without definition shall have the meanings given to such terms in the Declaration.

C. The Declaration provides that the Declaration may be amended by the written approval or affirmative vote, or any combination thereof, of Owners of not less than seventy-five percent (75%) of the Lots.

D. Pulte Home Corporation, a Michigan corporation (the "Declarant"), is the Owner of all the Lots and has consented to the Amendment of the Declaration in the manner set forth in this Amendment.

**NOW, THEREFORE,** the Declaration is amended as follows:

1. The following Section 1.0 is added at the beginning of Article 1:

|  |                  |                |
|--|------------------|----------------|
| Post-It™ brand fax transmittal memo 7671 |                  | # of pages ▶ 6 |
| To<br><i>Linda</i>                       | From<br>→        |                |
| Co<br><i>AMC</i>                         | Co<br><i>PHC</i> |                |
| Dept.                                    | Phone #          |                |
| Fax #                                    | Fax #            |                |

92 556378

1.0 "Additional Property" means Lots 77 through 133, Premiere at Pinnacle Peak, according to the plat recorded in Book 350, Page 38, records of Maricopa County, Arizona, together with all Improvements located thereon.

2. Section 1.28 is amended to read as follows:

1.28 "Property" or "Project" means the real property described on Exhibit A attached to this Declaration together with all Improvements located thereon, and any real property, together with all Improvements located thereon, which is annexed and subjected to this Declaration by the Declarant pursuant to Section 2.4 of this Declaration.

3. The following Section 2.4 is added at the end of Article 2:

2.4 Annexation of Additional Property.

2.4.1 At any time on or before the date which is seven (7) years after the date of the Recording of this Declaration, the Declarant shall have the right to annex and subject to this Declaration all or any portion of the Additional Property without the consent of any other Owner or Person. The annexation of all or any portion of the Additional Property shall be affected by the Declarant recording with the County Recorder of Maricopa County, Arizona, an amendment to this Declaration setting forth the legal description of the Additional Property being annexed, stating that such portion of the Additional Property is annexed and subjected to the Declaration and describing any portion of the Additional Property being annexed which will be Common Area.

2.4.2 Unless an amendment recorded pursuant to this Section provides that the property being annexed by the amendment shall become irrevocably annexed upon the recording of the amendment, any portion of the Additional Property annexed pursuant to this Section shall

92 556378

not become irrevocably annexed to the Project until the date on which the first Lot within the annexed portion of the Additional Property is conveyed to a Purchaser. If any amendment recorded pursuant to this Section divides a portion of the Additional Property being annexed into separate phases, then each phase of the property being annexed shall not become irrevocably annexed to the Project until the date on which the first Lot within such phase is conveyed to a Purchaser.

2.4.3 The Declarant shall have the right to amend any amendment recorded pursuant to this Section to change the description of the phases within the property being annexed except that the Declaration may not change any portion of the Additional Property which has already become irrevocably annexed to the Project.

2.4.4 The voting rights of the Owners of Lots annexed pursuant to this Section shall be effective as of the date the amendment annexing such property is recorded regardless of whether such Lots are irrevocably annexed to the Project at that time. The Lot Owner's obligation to pay Assessments shall commence as provided in Section 6.6 of this Declaration.

2.4.5 Declarant makes no assurances as to the exact number of Lots which shall be added to the Project by annexation or if all or any portion of the Additional Property will be annexed.

2.4.6 All taxes and other Assessments relating to all or any portion of the Additional Property annexed into the Project covering any period prior to the time when such portion of the Additional Property is irrevocably annexed in accordance with Subsection 2.4.2 of this Section shall be the responsibility of, and shall be paid by, the Declarant.

92 556378

2.4.7 The Additional Property may be annexed as a whole, at one time or in one or more portions at different times, or it may never be annexed, and there are no limitations upon the order of annexation or the boundaries thereof. The property annexed by the Declarant pursuant to this Section 2.4 need not be contiguous with other property in the Project, and the exercise of the right of annexation as to any portion of the Property shall not bar the further exercise of the right of annexation as to any other portion of the Additional Property. The Declarant makes no assurances as to which, if any, part of the Additional Property will be annexed.

4. The legal description set forth on Exhibit A to the Declaration is amended to read as follows:

Lots 1 through 76, inclusive, and Tracts A and B, Premiere at Pinnacle Peak, according to the plat recorded in Book 350, Page 38, records of Maricopa County, Arizona.

5. Section 6.6 is amended to read as follows:

**6.6 Lots Subject to Assessment.** All Lots described on Exhibit A to this Declaration shall be subject to Assessment upon conveyance of the first Lot to a Purchaser. Any Lot annexed by the Declarant pursuant to Section 2.4 of this Declaration shall not be subject to Assessment, and no Annual or Special Assessment shall be levied against such Lot, until the Lot has been irrevocably annexed to the Project as provided in Section 2.4 of this Declaration.

6. Except as expressly amended by this Amendment, the Declaration shall remain in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and the Declaration, this Amendment shall prevail.

92 556378

PREMIERE AT PINNACLE  
PEAK HOMEOWNERS ASSOCI-  
ATION, an Arizona nonprofit  
corporation

By: Willis W. Martin  
Its: President

**APPROVED:**

**PULTE HOME CORPORATION, a  
Michigan corporation**

By: Willis W. Martin  
Its: VP

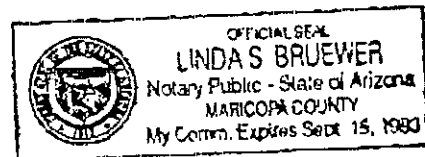
STATE OF ARIZONA     )  
                                  ) ss.  
County of Maricopa    )

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of September, 1992, by Willis W. Martin, the Pres. of Premiere at Pinnacle Peak Homeowners Association, an Arizona nonprofit corporation, on behalf of the corporation.

Linda S. Bruewer  
Notary Public

My Commission Expires:

9.15.92



92 556378

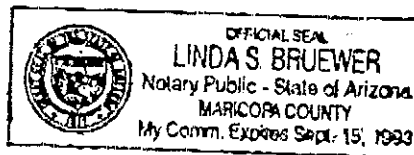
STATE OF ARIZONA )  
County of Maricopa ) ss.

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of September, 1992, by Willis W Martin, the Vice Pres. of Pulte Home Corporation, an Arizona corporation, on behalf of the corporation.

Linda S. Bruewer  
Notary Public

My Commission Expires:

9.15.93






UNITED STATES  
PICK-UP

WHEN RECORDED, RETURN TO:

~~Donald E. Dyckman, Esq.  
One East Camelback Road, Suite 1100  
Phoenix, Arizona 85012-1656~~

 OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL

Recording Number  
92-0313171

06/09/92 02:55

99 of 146 LILIAN

COURTESY RECORDING  
& TITLE LIABILITY

43

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
PREMIERE AT PINNACLE PEAK

**DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS  
FOR  
PREMIERE AT PINNACLE PEAK**

**TABLE OF CONTENTS**

|           |   | <u>Page</u> |
|-----------|---|-------------|
| ARTICLE 1 | DEFINITIONS .....                           | 1           |
| 1.1       | "Annual Assessment" .....                   | 1           |
| 1.2       | "Architectural Rules" .....                 | 1           |
| 1.3       | "Areas of Association Responsibility" ..... | 1           |
| 1.4       | "Articles" .....                            | 1           |
| 1.5       | "Assessment" .....                          | 1           |
| 1.6       | "Assessment Lien" .....                     | 1           |
| 1.7       | "Assessment Period" .....                   | 2           |
| 1.8       | "Association" .....                         | 2           |
| 1.9       | "Association Rules" .....                   | 2           |
| 1.10      | "Board" .....                               | 2           |
| 1.11      | "Bylaws" .....                              | 2           |
| 1.12      | "Common Area" .....                         | 2           |
| 1.13      | "Common Expenses" .....                     | 2           |
| 1.14      | "Declarant" .....                           | 2           |
| 1.15      | "Declaration" .....                         | 2           |
| 1.16      | "Eligible Insurer or Guarantor" .....       | 2           |
| 1.17      | "Eligible Mortgage Holder" .....            | 2           |
| 1.18      | "Improvement" .....                         | 2           |
| 1.19      | "Lessee" .....                              | 2           |
| 1.20      | "Lot" .....                                 | 3           |
| 1.21      | "Maintenance Standard" .....                | 3           |
| 1.22      | "Master Association" .....                  | 3           |
| 1.23      | "Master Declaration" .....                  | 3           |
| 1.24      | "Member" .....                              | 3           |
| 1.25      | "Owner" .....                               | 3           |
| 1.26      | "Person" .....                              | 3           |
| 1.27      | "Plat" .....                                | 3           |
| 1.28      | "Property" or "Project" .....               | 4           |
| 1.29      | "Project Documents" .....                   | 4           |
| 1.30      | "Purchaser" .....                           | 4           |
| 1.31      | "Recording" .....                           | 4           |

|           |   | <u>Page</u> |
|-----------|---|-------------|
| 1.32      | "Resident" .....  | 4           |
| 1.33      | "Residential Unit" .....  | 4           |
| 1.34      | "Single Family" .....   | 4           |
| 1.35      | "Special Assessment" .....  | 4           |
| 1.36      | "Visible From Neighboring Property" .....                                       | 4           |
| ARTICLE 2 | PLAN OF DEVELOPMENT .....   | 5           |
| 2.1       | Property Initially Subject to the Declaration .....                             | 5           |
| 2.2       | Disclaimer of Representations .....   | 5           |
| 2.3       | Master Association .....  | 5           |
| ARTICLE 3 | LAND USE CLASSIFICATIONS, PERMITTED USES AND<br>RESTRICTIONS .....              | 6           |
| 3.1       | Architectural Control .....   | 6           |
| 3.2       | Temporary Occupancy and Temporary Buildings .....                               | 7           |
| 3.3       | Maintenance of Lawns and Plantings .....  | 8           |
| 3.4       | Nuisances; Construction Activities .....  | 8           |
| 3.5       | Diseases and Insects .....  | 8           |
| 3.6       | Repair of Building .....  | 8           |
| 3.7       | Antennas .....  | 9           |
| 3.8       | Mineral Exploration .....   | 9           |
| 3.9       | Trash Containers and Collection .....   | 9           |
| 3.10      | Clothes Drying Facilities .....   | 9           |
| 3.11      | Utility Service .....   | 9           |
| 3.12      | Overhead Encroachments .....  | 9           |
| 3.13      | Health, Safety and Welfare .....  | 9           |
| 3.14      | Residential Use .....   | 10          |
| 3.15      | Animals .....   | 10          |
| 3.16      | Machinery and Equipment .....   | 10          |
| 3.17      | Signs .....   | 11          |
| 3.18      | Restriction on Further Subdivision, Property<br>Restrictions and Rezoning ..... | 11          |
| 3.19      | Trucks, Trailers, Campers and Boats .....                                       | 11          |
| 3.20      | Motor Vehicles .....  | 11          |
| 3.21      | Towing of Vehicles .....  | 12          |
| 3.22      | Variances .....   | 12          |
| 3.23      | Change of Use .....   | 12          |
| 3.24      | Drainage .....  | 13          |
| 3.25      | Garages and Driveways .....   | 13          |
| 3.26      | Rooftop Air Conditioners Prohibited .....                                       | 13          |

|           |   | <u>Page</u> |
|-----------|---|-------------|
| 3.27      | Basketball Goals .....  | 13          |
| ARTICLE 4 | EASEMENTS .....   | 13          |
| 4.1       | Owners' Easements of Enjoyment .....                                      | 13          |
| 4.2       | Utility Easement .....  | 14          |
| 4.3       | Declarant's Use for Sales and Leasing Purposes .....                      | 14          |
| 4.4       | Declarant's Easements .....   | 14          |
| 4.5       | Easement in Favor of Association .....                                    | 15          |
| ARTICLE 5 | THE ASSOCIATION; ORGANIZATION; MEMBERSHIP<br>AND VOTING RIGHTS .....      | 15          |
| 5.1       | Formation of Association .....  | 15          |
| 5.2       | Board of Directors and Officers .....                                     | 15          |
| 5.3       | The Association Rules .....   | 15          |
| 5.4       | Personal Liability .....  | 16          |
| 5.5       | Implied Rights .....  | 16          |
| 5.6       | Identity of Members .....   | 16          |
| 5.7       | Classes of Members .....  | 16          |
| 5.8       | Voting Procedures .....   | 16          |
| 5.9       | Transfer of Membership .....  | 17          |
| 5.10      | Conveyance or Encumbrance of Common Area .....                            | 17          |
| 5.11      | Suspension of Voting Rights .....   | 17          |
| ARTICLE 6 | COVENANT FOR ASSESSMENTS AND CREATION OF LIEN                             | 17          |
| 6.1       | Creation of Lien and Personal Obligation<br>of Assessments .....          | 17          |
| 6.2       | Annual Assessments .....  | 18          |
| 6.3       | Rate of Assessment .....  | 19          |
| 6.4       | Special Assessments .....   | 20          |
| 6.5       | Assessment Period .....   | 20          |
| 6.6       | Lots Subject to Assessment .....  | 20          |
| 6.7       | Rules Regarding Billing and Collection<br>Procedures .....                | 20          |
| 6.8       | Effect of Nonpayment of Assessments; Remedies<br>of the Association ..... | 21          |
| 6.9       | Evidence of Payment of Assessments .....                                  | 22          |
| 6.10      | Purposes for which Association's Funds may<br>be Used .....               | 22          |

|            |   | <u>Page</u> |
|------------|---|-------------|
| 6.11       | Surplus Funds .....   | 23          |
| 6.12       | Working Capital Fund .....  | 23          |
| 6.13       | Transfer Fee .....  | 23          |
| <br>       |   |             |
| ARTICLE 7  | MAINTENANCE .....   | 23          |
| <br>       |   |             |
| 7.1        | Areas of Association Responsibility and Public<br>Right of Way .....        | 23          |
| 7.2        | Lots .....  | 24          |
| 7.3        | Assessment of Certain Costs of Maintenance<br>and Repair .....              | 24          |
| 7.4        | Improper Maintenance and Use of Lots .....                                  | 24          |
| 7.5        | Common Walls .....  | 25          |
| 7.6        | Maintenance of Walls other than Common Walls .....                          | 25          |
| <br>       |   |             |
| ARTICLE 8  | INSURANCE .....   | 26          |
| <br>       |   |             |
| 8.1        | Scope of Coverage .....   | 26          |
| 8.2        | Certificates of Insurance .....   | 27          |
| 8.3        | Payment of Premiums .....   | 27          |
| 8.4        | Payment of Insurance Proceeds .....   | 27          |
| 8.5        | Repair and Replacement of Damaged or Destroyed<br>Property .....            | 27          |
| <br>       |   |             |
| ARTICLE 9  | RIGHTS OF FIRST MORTGAGEES .....  | 28          |
| <br>       |   |             |
| 9.1        | Notification to First Mortgagees .....                                      | 28          |
| 9.2        | Approval Required to Terminate Project .....                                | 28          |
| 9.3        | Approval Required for Amendment to Declaration,<br>Articles or Bylaws ..... | 29          |
| 9.4        | First Mortgagee's Right of Inspection of Records .....                      | 30          |
| 9.5        | Limitation on Partition and Subdivision .....                               | 30          |
| 9.6        | Prior Written Approval of First Mortgagees .....                            | 30          |
| 9.7        | No Priority over First Mortgagees .....                                     | 31          |
| 9.7        | Failure of First Mortgagees to Respond .....                                | 31          |
| 9.9        | Conflicting Provisions .....  | 31          |
| <br>       |   |             |
| ARTICLE 10 | GENERAL PROVISIONS .....  | 31          |
| <br>       |   |             |
| 10.1       | Enforcement .....   | 31          |
| 10.2       | Term; Method of Termination .....   | 32          |
| 10.3       | Amendments .....  | 32          |

|       | <u>Page</u>  |
|-------|--|
| 10.4  | Interpretation . . . . . 33                          |
| 10.5  | Severability . . . . . 33                            |
| 10.6  | Rule Against Perpetuities . . . . . 33               |
| 10.7  | Change of Circumstances . . . . . 33                 |
| 10.8  | Rules and Regulations . . . . . 33                   |
| 10.9  | Laws, Ordinances and Regulations . . . . . 33        |
| 10.10 | References to this Declaration in Deeds . . . . . 34 |
| 10.11 | Gender and Number . . . . . 34                       |
| 10.12 | Captions and Titles . . . . . 34                     |
| 10.13 | Notices . . . . . 34                                 |
| 10.14 | FHA/VA Approval . . . . . 34                         |
| 10.15 | No Absolute Liability . . . . . 34                   |

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR**  
**PREMIERE AT PINNACLE PEAK**

This Declaration of Covenants, Conditions, and Restrictions for Premiere at Pinnacle Peak (the "Declaration") is made this 3<sup>rd</sup> day of June, 1992, by Pulte Home Corporation, a Michigan corporation (the "Declarant")

**ARTICLE 1**

**DEFINITIONS**

1.1 "**Annual Assessment**" means the assessments levied against each Lot, and the Owner thereof, pursuant to Section 6.2 of this Declaration.

1.2 "**Architectural Rules**" means the rules and guidelines adopted by the Declarant pursuant to Section 3.1.12 of this Declaration, as they may from time to time be amended or supplemented.

1.3 "**Areas of Association Responsibility**" means (i) all Common Area; (ii) all land, and the Improvements situated thereon, situated within the boundaries of a Lot which the Association acknowledges in a recorded document is land which is to be improved, maintained, repaired and replaced by the Association, and (iii) all real property, and the Improvements situated thereon, within the Project located within dedicated rights-of-way with respect to which the State of Arizona or any county or municipality has not accepted responsibility for the maintenance thereof, but only until such time as the State of Arizona or any county or municipality has accepted all responsibility for the maintenance, repair and replacement of such areas.

1.4 "**Articles**" means the Articles of Incorporation of the Association, as they may from time to time be amended.

1.5 "**Assessment**" means an Annual Assessment or Special Assessment.

1.6 "**Assessment Lien**" means the lien created and imposed by Article 6 of this Declaration.

1.7 "Assessment Period" means the period set forth in Section 6.5 of this Declaration.

1.8 "Association" means Premiere at Pinnacle Peak Homeowners Association, an Arizona nonprofit corporation, and its successors and assigns.

1.9 "Association Rules" means the rules adopted by the Board pursuant to Section 5.3 of this Declaration, as they may from time to time be amended.

1.10 "Board" means the Board of Directors of the Association.

1.11 "Bylaws" means the Bylaws of the Association, as they may from time to time be amended.

1.12 "Common Area" means the real property designated as Tracts A and B of Premiere at Pinnacle Peak and all land, together with all Improvements situated thereon, which the Association at any time owns in fee or in which the Association has a leasehold interest for as long as the Association is the owner of the fee or leasehold interest.

1.13 "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.14 "Declarant" means Pulte Home Corporation, a Michigan corporation, its successors and any person or entity to whom it may expressly assign any or all of its rights under this Declaration.

1.15 "Declaration" means this Declaration of Covenants, Conditions, and Restrictions, as it may be amended from time to time.

1.16 "Eligible Insurer or Guarantor" means an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters from the Association in accordance with Section 9.1 of this Declaration.

1.17 "Eligible Mortgage Holder" means a First Mortgagee who has requested notice of certain matters from the Association in accordance with Section 9.1 of this Declaration.

1.18 "Improvement" means any building, fence, wall or other structure or any swimming pool, road, driveway, parking area or any trees, plants, shrubs, grass or other landscaping improvements of every type and kind.

1.19 "Lessee" means the lessee or tenant under a lease, oral or written, of any Lot including an assignee of a lease.



1.20 "Lot" means a portion of the Project intended for independent ownership and use and designated as a lot on the Plat and, where the context indicates or requires, shall include any Residential Unit, building, structure or other Improvements situated on the Lot.

1.21 "Maintenance Standard" means the standard of maintenance of Improvements established from time to time by the Board or, in the absence of any standard established by the Board, the standard of maintenance of Improvements generally prevailing throughout the Project.

1.22 "Master Association" means Los Portones Community Association, Inc., an Arizona nonprofit corporation, its successors and assigns, organized pursuant to the provisions of the Master Declaration.

1.23 "Master Declaration" means the Master Declaration of Covenants, Conditions and Restrictions for Los Portones recorded at Recording No. 86-264470, records of Maricopa County, Arizona, as such Declaration may be amended from time to time.

1.24 "Member" means any Person who is a Member of the Association.

1.25 "Owner" means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Lot. Owner shall not include (i) Persons having an interest in a Lot merely as security for the performance of an obligation, or (ii) a Lessee. Owner shall include a purchaser under a contract for the conveyance of real property subject to the provisions of A.R.S. § 33-741 *et. seq.* Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to the executory contracts pending the closing of a sale or purchase transaction. In the case of Lots the fee simple title to which is vested in a trustee pursuant to Arizona Revised Statutes, Section 33-801, *et seq.*, the Trustor shall be deemed to be the Owner. In the case of the Lots the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the trust property shall be deemed to be the Owner.

1.26 "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

350, page 38 1.27 "Plat" means the plat of Premiere at Pinnacle Peak recorded in Book records of Maricopa County, Arizona, and all amendments, supplements and corrections thereto.

1.28 "Property" or "Project" means the real property described on Exhibit A attached to this Declaration together with all Improvements located thereon.

1.29 "Project Documents" means this Declaration, the Articles, the Bylaws, the Association Rules and the Architectural Rules.

1.30 "Purchaser" means any Person, other than the Declarant, who by means of a voluntary transfer becomes the Owner of a Lot, except for (i) a Person who purchases a Lot and then leases it to the Declarant for use as a model in connection with the sale or lease of other Lots or (ii) a Person who, in addition to purchasing a Lot, is assigned any or all of the Declarant's rights under this Declaration.

1.31 "Recording" means placing an instrument of public record in the office of the County Recorder of Maricopa County, Arizona, and "Recorded" means having been so placed of public record.

1.32 "Resident" means each individual occupying or residing in any Residential Unit.

1.33 "Residential Unit" means any building, or portion of a building, situated upon a Lot and designed and intended for independent ownership and for use and occupancy as a residence.

1.34 "Single Family" means a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) persons not all so related, who maintain a common household in a Residential Unit.

1.35 "Special Assessment" means any assessment levied and assessed pursuant to Section 6.4 of this Declaration.

1.36 "Visible From Neighboring Property" means, with respect to any given object, that such object is or would be visible to a person six feet tall, standing at ground level on any part of such neighboring property; provided, however that an object shall not be considered as being Visible From Neighboring Property if the object is visible to a person six feet (6') tall, standing at ground level on any part of neighboring property only by such person being able to see the object through a wrought iron fence and such object would not be visible to such person if the wrought iron fence were a solid fence.

## ARTICLE 2

## PLAN OF DEVELOPMENT

**2.1 Property Initially Subject to the Declaration.** This Declaration is being recorded to establish a general plan for the development and use of the Project in order to protect and enhance the value and desirability of the Project. All of the property within the Project shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the Association and all Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Lots and the membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot.

**2.2 Disclaimer of Representations.** Declarant makes no representations or warranties whatsoever that (i) the Project will be completed in accordance with the plans for the Project as they exist on the date this Declaration is recorded; (ii) any Property subject to this Declaration will be committed to or developed for a particular use or for any use; or (iii) the use of any Property subject to this Declaration will not be changed in the future.

**2.3 Master Association.** The Project is part of a master planned community known as Los Portones. The Project shall be subject to the terms and conditions of the Master Declaration and the Articles of Incorporation, Bylaws and Architectural Rules of the Master Association, as such documents may be amended from time to time (collectively, the "Master Association Documents"). Each Owner of a Lot will be obligated to pay assessments and other charges to the Master Association in accordance with the Master Association Documents. All Assessments and other charges due to the Association under the Project Documents shall be in addition to the assessments and other charges payable to the Master Association. All consents required by this Declaration of the Board shall be in addition to any consents required under the terms of the Master Declaration or the Master Association Documents. In the event of any conflict or inconsistency between

the restrictions with respect to the use or occupancy of the Lots set forth in the master Declaration and the restrictions set forth in Article 3 of this Declaration, the more restrictive provision shall control.

### ARTICLE 3

#### LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS

##### 3.1 Architectural Control

3.1.1 All Improvements constructed on Lots shall be of new construction, and no buildings or other structures shall be removed from other locations on to any Lot.

– 3.1.2 No excavation or grading work shall be performed on any Lot without the prior written approval of the Declarant.

– 3.1.3 No Improvement shall be constructed or installed on any Lot without the prior written approval of the Declarant.

– 3.1.4 No addition, alteration, repair, change or other work which in any way alters the exterior appearance, including but without limitation, the exterior color, of any Lot, or the Improvements located thereon, from their appearance on the date this Declaration is Recorded shall be made or done without the prior written approval of the Declarant.

– 3.1.5 Any Owner desiring approval of the Declarant for the construction, installation addition, alteration, repair, change or replacement of any Improvement which would alter the exterior appearance of his Lot, or the Improvements located thereon, shall submit to the Declarant a written request for approval specifying in detail the nature and extent of the addition, alteration, repair, change or other work which the Owner desires to perform. Any Owner requesting the approval of the Declarant shall also submit to the Declarant any additional information, plans and specifications which the Declarant may request. In the event that the Declarant fails to approve or disapprove an application for approval within thirty (30) days after the application, together with all supporting information, plans and specifications requested by the Declarant have been submitted to it, approval will not be required and this Section will be deemed to have been complied with by the Owner who had requested approval of such plans.

– 3.1.6 The approval by the Declarant of any construction, installation, addition, alteration, repair, change or other work pursuant to this Section shall not be deemed a waiver of the Declarant's right to withhold approval of any similar construction,

installation, addition, alteration, repair, change or other work subsequently submitted for approval.

- 3.1.7 Upon receipt of approval from the Declarant for any construction, installation, addition, alteration, repair, change or other work, the Owner who had requested such approval shall proceed to perform, construct or make the addition, alteration, repair, change or other work approved by the Declarant as soon as practicable and shall diligently pursue such work so that it is completed as soon as reasonably practicable and within such time as may be prescribed by the Declarant.

- 3.1.8 Any change, deletion or addition to the plans and specifications approved by the Declarant must be approved in writing by the Declarant.

- 3.1.9 The Declarant shall have the right to charge a fee for reviewing requests for approval of any construction, installation, alteration, addition, repair, change or other work pursuant to this Section, which fee shall be payable at the time the application for approval is submitted to the Declarant.

3.1.10 The provisions of this Section do not apply to the construction, erection, installation, addition, alteration, repair, change or replacement of any improvements made by, or on behalf of, the Declarant.

- 3.1.11 The approval required of the Declarant pursuant to this Section shall be in addition to, and not in lieu of, any approvals or permits which may be required under any federal, state or local law, statute, ordinance, rule or regulation.

- 3.1.12 The Declarant may adopt architectural guidelines and standards to be used by the Declarant in rendering its decisions pursuant to this Section. The Declarant may also establish a reasonable processing fee to defer the cost to the Declarant in considering requests for approval submitted to the Declarant pursuant to this Section, which fee shall be paid at the time the request for approval is submitted.

3.1.13 The provisions of this Section requiring the approval of the Declarant before certain actions can be taken or before any Improvement can be constructed, installed, altered, added to, repaired or changed shall only be applicable during the time the Declarant owns one or more Lots. At such time as the Declarant no longer owns any Lot subject to this Declaration, the approval of the Declarant pursuant to this Section shall no longer be required.

3.2 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a residence, either temporary or permanent. Temporary buildings, trailers or other structures used during the construction of Improvements approved by the Declarant shall be removed immediately after the

completion of construction, and in no event shall any such buildings, trailer or other structures be maintained or kept on any property for a period in excess of twelve months without the prior written approval of the Declarant.

**3.3 Maintenance of Lawns and Plantings.** Each Owner of a Lot shall keep all shrubs, trees, hedges, grass and plantings of every kind located on (i) his Lot, (ii) any public right-of-way or easement area which abuts or adjoins the Owner's Lot and which is located between the boundary line of his Lot and the paved area of any street, sidewalk, bike-path or similar area, and (iii) any non-street public right-of-way or easement area adjacent to his Lot, neatly trimmed, and shall keep all such areas properly cultivated and free of trash, weeds and other unsightly material; provided, however, that such Owner shall not be responsible for maintenance of any area over which (i) the Association assumes the responsibility in writing; (ii) the Association has been given such responsibility by this Declaration; or (iii) Maricopa County or any municipality having jurisdiction over such property assumes responsibility, for so long as the Association, Maricopa County or such municipality assumes or has responsibility.

**3.4 Nuisances; Construction Activities.** No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot or other property, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No other nuisance shall be permitted to exist or operate upon any Lot or other property so as to be offensive or detrimental to any other property in the vicinity thereof or to its occupants. Normal construction activities and parking in connection with the building of Improvements on a Lot or other property shall not be considered a nuisance or otherwise prohibited by this Declaration, but Lots and other property shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials will be piled only in such areas as may be approved in writing by the Board. In addition, any construction equipment and building materials stored or kept on any Lot or other property during the construction of Improvements may be kept only in areas approved in writing by the Board, which may also require screening of the storage areas. The Board in its sole discretion shall have the right to determine the existence of any such nuisance. The provisions of this Section shall not apply to construction activities of the Declarant.

**3.5 Diseases and Insects.** No Person shall permit any thing or condition to exist upon any Lot or other property which shall induce, breed or harbor infectious plant diseases or noxious insects.

**3.6 Repair of Building.** No Residential Unit, building or structure on any Lot or other property shall be permitted to fall into disrepair and each such Residential Unit, building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any Residential Unit, building or

structure is damaged or destroyed, then, subject to the approvals, if any, required by Section 3.2 of this Declaration, such Residential Unit, building or structure shall be immediately repaired or rebuilt or shall be demolished.

**3.7 Antennas.** No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation including, without limitation, satellite or microwave dishes, shall be erected, used, or maintained on any Lot without the prior written approval of the Board.

**3.8 Mineral Exploration.** No Lot or other property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

**3.9 Trash Containers and Collection.** No garbage or trash shall be placed or kept on any Lot or other property, except in covered containers of a type, size and style which are approved by the Board. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make the same available for collection and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash, or garbage shall be removed from Lots and other property and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot or other property.

**3.10 Clothes Drying Facilities.** No outside clotheslines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Lot or other property so as to be Visible From Neighboring Property.

**3.11 Utility Service.** No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Lot or other property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures. No provision of this Declaration shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures.

**3.12 Overhead Encroachments.** No tree, shrub, or planting of any kind on any Lot or other property shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way or other area from ground level to a height of eight (8) feet without the prior approval of the Board.

**3.13 Health, Safety and Welfare.** In the event additional uses, activities, and facilities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners, Lessees and Residents, the Board may make rules restricting or regulating their presence in the Project as part of the Association Rules.

**3.14 Residential Use.** All Residential Units shall be used, improved and devoted exclusively to residential use by a Single Family. No trade or business may be conducted on any Lot or in or from any Residential Unit, except that an Owner or other Resident of a Residential Unit may conduct a business activity within a Residential Unit so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residential Unit, (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Project, (iii) the business activity does not involve persons coming on to the Lot or the door-to-door solicitation of Owners or other Residents in the Project, and (iv) the business activity is consistent with the residential character of the Project and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other residents in the Project, as may be determined from time to time in the sole discretion of the Board. The terms "business" and "trade" as used in this Section shall be construed to have ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (i) such activity is engaged in full or part time, (ii) such activity is intended or does generate a profit, or (iii) a license is required for such activity. The leasing of a Residential Unit by the Owner thereof shall not be considered a trade or business within the meaning of this Section.

**3.15 Animals.** No animal, bird, fowl, poultry, reptile or livestock may be kept on any Lot, except for two dogs, cats, parakeets or similar household birds may be kept on a Lot if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. All dogs, cats or other pets permitted under this Section shall be confined to an Owner's Lot except that a dog or cat may be permitted to leave an Owner's Lot if such dog or cat is at all times kept on a leash not to exceed six feet (6') in length and is not permitted to enter upon any other Lot. No animal, bird, fowl, poultry or livestock shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any animal, bird, fowl, poultry, or livestock shall be maintained so as to be Visible From Neighboring Property. Upon the written request of any Owner, Lessee or Resident, the Board shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this Section, a particular animal, bird, fowl, poultry, or livestock is a nuisance or making an unreasonable amount of noise. Any decision rendered by the Board shall be enforceable in the same manner as other restrictions set forth in this Declaration.

**3.16 Machinery and Equipment.** No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot, except (i) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other Improvements; (ii) that which Declarant or the Association may require for the operation and maintenance of the Project.



**3.17 Signs.** No signs whatsoever (including, but not limited to, commercial, political, "for sale", "for rent" and similar signs) which are Visible From Neighboring Property shall be erected or maintained on any Lot except:

3.17.1 Signs required by legal proceedings.

3.17.2 Residence identification signs provided the size, color, content and location of such signs have been approved in writing by the Board.

3.17.3 One (1) "For Sale" sign provided the size, color, design, message content, location and type has been approved in writing by the Board.

**3.18 Restriction on Further Subdivision, Property Restrictions and Rezoning.** No Lot shall be further subdivided or separated into smaller lots or parcels by any Owner other than the Declarant, and no portion less than all of any such Lot shall be conveyed or transferred by any Owner other than the Declarant, without the prior written approval of the Board. No further covenants, conditions, restrictions or easements shall be recorded by any Owner, Lessee, or other Person other than the Declarant against any Lot without the provisions thereof having been first approved in writing by the Board. No application for rezoning, variances or use permits pertaining to any Lot shall be filed with any governmental authority by any Person other than the Declarant unless the application has been approved by the Board and the proposed use otherwise complies with this Declaration.

**3.19 Trucks, Trailers, Campers and Boats.** No truck, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot or Common Area or on any street so as to be Visible From Neighboring Property without the prior written approval of the Board; except for (i) the temporary parking of any such vehicle or equipment on a Lot or on a street for a period of not more than forty-eight (48) hours within any seven (7) day period, (ii) temporary construction trailers or facilities maintained during, and used exclusively in connection with, the construction of any Improvement; (iii) boats and vehicles parked in garages on Lots so long as such vehicles are in good operating condition and appearance and are not under repair; or (iv) motor vehicles not exceeding seven (7) feet in height and eighteen (18) feet in length which are not used for commercial purposes and which do not display any commercial name, phone number or message of any kind.

**3.20 Motor Vehicles.**

3.20.1 Except for emergency vehicle repairs, no automobile or other motor vehicle shall be constructed, reconstructed or repaired upon a Lot or other property in the Project, and no inoperable vehicle may be stored or parked on any such Lot so as to

be Visible From Neighboring Property or to be visible from any Common Area or any street.

3.20.2 No motorcycle, motorbike, all-terrain vehicle, off-road vehicle or any similar vehicle shall be parked, maintained or operated on any portion of the Project except in garages on Lots.

3.20.3 No automobile or other motor vehicle shall be parked on any road or street in the Project, except for automobiles or motor vehicles of guests of Owners which may be parked on a road or street in the Project for a period of not more than forty-eight (48) hours.

**3.21 Towing of Vehicles.** The Board shall have the right to have any truck, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or similar equipment or vehicle or any automobile, motorcycle, motorbike, or other motor vehicle which is parked, kept, maintained, constructed, reconstructed or repaired in violation of the Project Documents towed away at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle or equipment shall be paid to the Association upon demand by the owner of the vehicle or equipment. If the vehicle or equipment is owned by an Owner, any amounts payable to the Association shall be secured by the Assessment Lien, and the Association may enforce collection of suit amounts in the same manner provided for in their Declaration for the collection of Assessment.

**3.22 Variances.** The Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in this Article 3, except for Section 3.1, if the Board determines in its discretion that (i) a restriction would create an unreasonable hardship or burden on an Owner, Lessee or Resident or a change of circumstances since the recordation of this Declaration has rendered such restriction obsolete and (ii) that the activity permitted under the variance will not have any substantial adverse effect on the Owners, Lessees and Residents of the Project and is consistent with the high quality of life intended for residents of the Project.

**3.23 Change of Use.** Upon (i) adoption of a resolution by the Board stating that in the Board's opinion the then present use of a designated part of the Area of Association Responsibility is no longer in the best interests of the Owners and (ii) the approval of such resolution by Members casting more than fifty percent (50%) of the votes entitled to be cast by Members who are present in person or by proxy at a meeting duly called for such purpose and who are entitled to use such Area of Association Responsibility under the terms of this Declaration, the Board shall have the power and right to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the buildings, structures and improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use shall be for the benefit of the

Owners and shall be consistent with any zoning regulations restricting or limiting the use of the Area of Association Responsibility.

**3.24 Drainage.** No Residential Unit, structure, building, landscaping, fence, wall or other Improvement shall be constructed, installed, placed or maintained in any manner that would obstruct, interfere with or change the direction or flow of water in accordance with the drainage plans for the Project, or any part thereof, or for any Lot as shown on the drainage plans on file with the county or municipality in which the Project is located.

**3.25 Garages and Driveways.** Garages shall be used only for the parking of vehicles and shall not be used or converted for living or recreational activities without the prior written approval of the Board.

**3.26 Rooftop Air Conditioners Prohibited.** No air conditioning units or appurtenant equipment may be mounted, installed or maintained on the roof of any Residential Unit or other building so as to be Visible From Neighboring Property.

**3.27 Basketball Goals.** No basketball goals or backboards shall be constructed or installed on any Lot without the prior written approval of the Board.

## ARTICLE 4

### EASEMENTS

#### 4.1 Owners' Easements of Enjoyment.

4.1.1 Subject to the rights and easements granted to the Declarant in Section 4.4 and 4.5 of this Declaration, every Member, and any person residing with such Member, shall have a right and easement of enjoyment in and to the Common Area (including, but not limited to, any private streets which may be part of the Common Area for ingress and egress to the Member's Lot) which right shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(i) The right of the Association to dedicate, convey, transfer or encumber the Common Area as provided in Section 5.11 of this Declaration.

(ii) The right of the Association to regulate the use of the Common Area through the Association Rules and to prohibit access to such portions of the Common Area, such as landscaped areas, not intended for use by the Owners, Lessees or Residents.

(iii) The right of the Association to suspend the right of an Owner and such Owner's family, tenants and guests to use the Common Area if such Owner is more than fifteen (15) days delinquent in the payment of Assessments or other amounts due to the Association or if the Owner has violated any other provisions of the Project Documents and has failed to cure such violation within fifteen (15) days after the Association notifies the Owner of the violation.

4.1.2 If a Lot is leased or rented by the Owner thereof, the Lessee and the members of his family residing with such Lessee shall have the right to use the Common Area during the term of the lease, and the Owner of such Lot shall have no right to use the Common Area until the termination or expiration of such lease.

4.2 Utility Easement. There is hereby created an easement upon, across, over and under the Common Area and the Lots for reasonable ingress, egress, installation, replacing, repairing or maintaining of all utilities, including, but not limited to, gas, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on the Common Area or Lots but no sewers, electrical lines, water lines, or other utility or service lines may be installed or located on the Common Area or Lots except as initially designed, approved and constructed by the Declarant or as approved by the Board.

4.3 Declarant's Use for Sales and Leasing Purposes. Declarant shall have the right and an easement to maintain sales or leasing offices, management offices and models throughout the Project and to maintain one or more advertising signs on the Common Area while the Declarant is selling Lots. Declarant reserves the right to place models, management offices and sales and leasing offices on any Lots owned by Declarant and on any portion of the Common Area in such number, of such size and in such locations as Declarant deems appropriate.

#### 4.4 Declarant's Easements.

4.4.1 Declarant shall have the right and an easement on and over the Areas of Association Responsibility to construct all Improvements the Declarant may deem necessary and to use the Areas of Association Responsibility and any Lots and other property owned by Declarant for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Project.

4.4.2 The Declarant shall have the right and an easement upon, over, and through the Areas of Association Responsibility as may be reasonably necessary for the purpose of discharging its obligations and exercising the rights granted to or reserved by the Declarant by this Declaration.

**4.5 Easement in Favor of Association.** The Lots are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees and independent contractors:

4.5.1 For inspection of the Lots in order to verify the performance by Owners of all items of maintenance and repair for which they are responsible;

4.5.2 For inspection, maintenance, repair and replacement of the Areas of Association Responsibility accessible only from such Lots;

4.5.3 For correction of emergency conditions in one or more Lots;

4.5.4 For the purpose of enabling the Association, the Board or any other committees appointed by the Board to exercise and discharge their respective rights, powers and duties under the Project Documents;

4.5.5 For inspection of the Lots in order to verify that the provisions of the Project Documents are being complied with by the Owners, their guests, tenants, invitees and the other occupants of the Lot.

## ARTICLE 5

### THE ASSOCIATION; ORGANIZATION; MEMBERSHIP AND VOTING RIGHTS

**5.1 Formation of Association.** The Association shall be a nonprofit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. In the event of any conflict or inconsistency between this Declaration and the Articles, Bylaws, Association Rules or Architectural Rules, this Declaration shall control.

**5.2 Board of Directors and Officers.** The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws. Unless the Project Documents specifically require the vote or written consent of the Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Association.

**5.3 The Association Rules.** The Board may, from time to time, and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations pertaining to (i) the management, operation and use of the Areas of Association Responsibility including, but not limited to, any recreational facilities situated upon the Areas of Association Responsibility, (ii) minimum standards for any maintenance of Lots, or (iii) any other subject within the jurisdiction of the Association. In the event of any conflict or inconsistency between the provisions of this Declaration and the Association rules, the provisions of this Declaration shall prevail.

**5.4 Personal Liability.** No member of the Board or of any committee of the Association, no officer of the Association, and no manager or other employee of the Association shall be personally liable to any Member, or to any other person or entity, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, the manager, any representative or employee of the Association, or any committee, committee member or officer of the Association; provided, however, the limitations set forth in this Section shall not apply to any person who has failed to act in good faith or has engaged in wilful or intentional misconduct.

**5.5 Implied Rights.** The Association may exercise any right or privilege given to the Association expressly by the Project Documents and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association by the Project Documents or reasonably necessary to effectuate any such right or privilege.

**5.6 Identity of Members.** Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot shall automatically, upon becoming the Owner thereof, be a member of the Association and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

**5.7 Classes of Members.** The Association shall have two classes of voting membership:

**5.7.1 Class A.** Class A members shall be all Owners, with the exception of the Declarant until the termination of the Class B membership, of Lots. Each Class A member shall be entitled to one (1) vote for each Lot owned.

**5.7.2 Class B.** The Class B member shall be the Declarant. The Class B member 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 (i) the date on which the votes entitled to be cast by the Class A members equals or exceeds the votes entitled to be cast by the Class B member; (ii) the date which is five (5) years after the recording of this Declaration; or (iii) when the Declarant notifies the Association in writing that it relinquishes its Class B membership.

**5.8 Voting Procedures.** No change in the ownership of a Lot shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that a Lot is owned by more than one person or entity and such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Lot, it will thereafter be

conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast by a Class A Member for a particular Lot, none of the votes shall be counted and all of the votes shall be deemed void.

**5.9 Transfer of Membership.** The rights and obligations of any Member other than the Declarant shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an Owner's Lot, and then only to the transferee of ownership to the Lot. A transfer of ownership to a Lot may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot shall operate to transfer the Membership appurtenant to said Lot to the new Owner thereof. Each Purchaser of a Lot shall notify the Association of his purchase within ten (10) days after he becomes the Owner of a Lot.

**5.10 Conveyance or Encumbrance of Common Area.** The Common Area shall not be mortgaged, transferred, dedicated or encumbered without the prior written consent or affirmative vote of the Class B member of the Association and the affirmative vote or written consent of the Owners representing at least two-thirds (2/3) of the votes entitled to be cast by Class A members of the Association.

**5.11 Suspension of Voting Rights.** If any Owner fails to pay any Assessments or other amounts due to the Association under the Project Documents within fifteen (15) days after such payment is due or if any Owner violates any other provision of the Project Documents and such violation is not cured within fifteen (15) days after the Association notifies the Owner of the violation, the Board of Directors shall have the right to suspend such Owner's right to vote until such time as all payments, including interest and attorneys' fees, are brought current, and until any other infractions or violations of the Project Documents are corrected.

## ARTICLE 6

### COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

**6.1 Creation of Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned by it, hereby covenants and agrees, and each Owner, other than the Declarant, by becoming the Owner of a Lot, is deemed to covenant and agree, to pay Assessments to the Association in accordance with this Declaration. All Assessments shall be established and collected as provided in this Declaration. The Assessments, together with interest, late charges and all costs, including but not limited to reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall be a charge on the Lot and shall be a continu-

ing lien upon the Lot against which each such Assessment is made. Each Assessment, together with interest and all costs, including but not limited to reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly assumed by them.

## 6.2 Annual Assessments.

6.2.1 In order to provide for the operation and management of the Association and to provide funds for the Association to pay all Common Expenses and to perform its duties and obligations under the Project Documents, including the establishment of replacement and maintenance reserves, the Board, for each Assessment Period shall assess against each Lot an Annual Assessment.

6.2.2 The Board shall give notice of the Annual Assessment to each Owner at least thirty (30) days prior to the beginning of each Assessment Period, but the failure to give such notice shall not affect the validity of the Annual Assessment established by the Board nor relieve any Owner from its obligation to pay the Annual Assessment. If the Board determines during any Assessment Period that the funds budgeted for that Assessment Period are, or will, become inadequate to meet all Common Expenses for any reason, including, without limitation, nonpayment of Assessment by Members, it may increase the Annual Assessment for that Assessment Period and the revised Annual Assessment shall commence on the date designated by the Board.

6.2.3 The maximum Annual Assessment for each fiscal year of the Association shall be as follows:

(i) Until January 1 of the year immediately following the conveyance of the first Lot to a Purchaser, the maximum Annual Assessment for each Lot shall be \$240.00.

(ii) From and after January 1 of the year immediately following the conveyance of the first Lot to a Purchaser, the Board may, without a vote of the members, increase the maximum Annual Assessment during each fiscal year of the Association by the greater of (a) 5% of the maximum Annual Assessment for the immediately preceding fiscal year or (b) an amount based upon the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) U.S. City Average (1982-84=100), issued by the United States Department of Labor, Bureau of Labor Statistics (the "Consumer Price Index"), which amount shall be computed in



the last month of each fiscal year in accordance with the following formula:

X = Consumer Price Index for September of the calendar year immediately preceding the year in which the Annual Assessments commenced.

Y = Consumer Price Index for September of the year immediately preceding the calendar year for which the maximum Annual Assessment is to be determined.

$\frac{Y-X}{X}$  multiplied by the maximum Annual Assessment for the then current fiscal year equals the amount by which the maximum Annual Assessment may be increased.

In the event the Consumer Price Index ceases to be published, then the index which shall be used for computing the increase in the maximum Annual Assessment permitted under this Subsection shall be the substitute recommended by the United States government for the Consumer Price Index or, in the event no such successor index is recommended by the United States government, the index selected by the Board.

(iii) From and after January 1 of the year immediately following the conveyance of the first Lot to a Purchaser, the maximum Annual Assessment may be increased by an amount greater than the maximum increase allowed pursuant to (ii) above, only by a vote of Members entitled to cast at least two-thirds (2/3) of the votes entitled to be cast by Members who are voting in person or by proxy at a meeting duly called for such purpose.

**6.3 Rate of Assessment.** The amount of the Annual Assessment for each Lot other than Lots owned by the Declarant shall be the amount obtained by dividing the total budget of the Association for the Assessment Period for which the Annual Assessment is being levied by the total number of Lots subject to the Assessment at the time the Annual Assessment is levied by the Board. The Annual Assessment for Lots owned by the Declarant shall be an amount equal to twenty-five percent (25%) of the Annual Assessment levied against Lots owned by Persons other than the Declarant until such time as a Residential Unit has been constructed on the Lot and the Residential Unit has been occupied for Single Family Residential Use. After a Residential Unit has been constructed on a Lot owned by the Declarant and the Residential Unit has been occupied for Single Family Residential Use, the amount of the Annual Assessment for such Lot shall be the

same as the Annual Assessment levied against Lots owned by Persons other than the Declarant. If a Lot ceases to qualify for the reduced twenty-five percent (25%) rate of assessment during the period to which an Annual Assessment is attributable, the Annual Assessment shall be prorated between the applicable rates on the basis of the number of days in the Assessment Period that the Lot qualified for each rate. So long as there is a Class B membership in the Association, the Declarant shall pay to the Association any amounts which, in addition to the Annual Assessments levied by the Association, may be required by the Association in order for the Association to fully perform its duties and obligations under the Project Documents, including the obligation to maintain adequate reserve accounts.

**6.4 Special Assessments.** The Association may levy against each Lot which is then subject to assessment, in any Assessment Period, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of an Improvement upon the Common Area, including fixtures and personal property related thereto, provided that any Special Assessment shall have the assent of two-thirds (2/3) of the votes entitled to be cast by Members who are voting in person or by proxy at a meeting duly called for such purpose.

**6.5 Assessment Period.** The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year, except that the first Assessment Period, and the obligation of the Owners to pay Annual Assessments shall commence upon the conveyance of the first Lot to a Purchaser and terminate on December 31 of such year. The Board in its sole discretion from time to time may change the Assessment Period.

**6.6 Lots Subject to Assessment.** All Lots described on Exhibit A to this Declaration shall be subject to assessment upon the conveyance of the first Lot to a Purchaser. Any Lot annexed by the Declarant pursuant to Section 2.2 of this Declaration shall not be subject to assessment, and no Annual or Special Assessment shall be levied against such Lot, until the Lot has been irrevocably annexed to the Project as provided in Section 2.2 of this Declaration.

**6.7 Rules Regarding Billing and Collection Procedures.** Annual Assessments shall be collected on a quarterly basis or such other basis as may be selected by the Board. Special Assessments may be collected as specified by the Board. The Board shall have the right to adopt rules and regulations setting forth procedures for the purpose of making Assessments and for the billing and collection of the Assessments provided that the procedures are not inconsistent with the provisions of this Declaration. The failure of the Association to send a bill to a Member shall not relieve any Member of his liability for any Assessment or charge under this Declaration, but the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Member has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement that the Assessment or any installation thereof is or will be due and of the amount owing. Such notice may be given at

any time prior to or after delinquency of such payment. The Association shall be under no duty to refund any payments received by it even though the ownership of a Lot changes during an Assessment Period; successor Owners of Lots shall be given credit for prepayments, on a prorated basis, made by prior Owners.

**6.8 Effect of Nonpayment of Assessments; Remedies of the Association.**

6.8.1 Any Assessment, or any installment of an Assessment, not paid within five (5) days after the Assessment, or the installment of the Assessment, first became due shall bear interest from the due date at the rate of twelve percent (12%) per annum or the prevailing VA/FHA interest rate for new home loans, whichever is higher. In addition, the Board of Directors may establish a late fee to be charged to any Owner who has not paid any Assessment, or any installment of an Assessment, within five days after such payment was due.

6.8.2 The Association shall have a lien on each Lot for (i) all Assessments levied against the Lot, (ii) all interest, lien fees, late charges and other fees and charges assessed against the Lot or payable by the Owner of the Lot, (iii) all fines levied against the Owner of the Lot, and (iv) all attorney fees, court costs, title report fees, costs and fees charged by any collection agency either to the Association or to an Owner and any other fees or costs incurred by the Association in attempting to collect Assessments or other amounts due to the Association by the Owner of a Lot. Recording of this Declaration constitutes record notice and perfection of the Assessment Lien. The Association may, at its option, record a Notice of Lien setting forth the name of the delinquent owner as shown in the records of the Association, the legal description or street address of the Lot against which the Notice of Lien is recorded and the amount claimed to be past due as of the date of the recording of the Notice, including interest, lien recording fees and reasonable attorneys' fees. Before recording any Notice of Lien against a Lot, the Association shall make a written demand to the defaulting Owner for payment of the delinquent Assessments, together with interest, late charges and reasonable attorneys' fees, if any. The demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand, but any number of defaults may be included within the single demand. If the delinquency is not paid within ten (10) days after delivery of the demand, the Association may proceed with recording a Notice of Lien against the Lot.

6.8.3 The Assessment Lien shall have priority over all liens or claims except for (i) tax liens for real property taxes, (ii) assessments in favor of any municipal or other governmental body and (iii) the lien of any first mortgage or first deed of trust. Any First Mortgagee or any other Person acquiring title or coming into possession of a Lot through foreclosure of the First Mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure shall acquire title free and clear of any claims for unpaid assessments and charges against the Lot which became payable prior to the acquisition of such Lot by the First Mortgagee or other Person. Any Assessments and charges against the Lot which

accrue prior to such sale or transfer shall remain the obligation of the defaulting Owner of the Lot.

6.8.4 The Association shall not be obligated to release the Assessment Lien until all delinquent Assessments, interest, lien fees, fines, reasonable attorneys' fees, court costs, collection costs and all other sums payable to the Association by the Owner of the Lot have been paid in full.

6.8.5 The Association shall have the right, at its option, to enforce collection of any delinquent Assessments together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Association in any manner allowed by law including, but not limited to, (i) bringing an action at law against the Owner personally obligated to pay the delinquent Assessments and such action may be brought without waiving the Assessment Lien securing the delinquent Assessments or (ii) bringing an action to foreclose the Assessment Lien against the Lot in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots purchased at such sale.

**6.9 Evidence of Payment of Assessments.** Upon receipt of a written request by a Member or any other Person, the Association, within a reasonable period of time thereafter, shall issue to such Member or other Person a written certificate stating (i) that all Assessments, interest, and other fees and charges have been paid with respect to any specified Lot as of the date of such certificate, or (ii) if all Assessments have not been paid, the amount of such Assessments, interest, fees and charges due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matters therein stated as against any bona fide Purchaser of, or lender on, the Lot in question.

**6.10 Purposes for which Association's Funds may be Used.** The Association shall apply all funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of the Project and the Owners and Residents by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any and all land, properties, improvements, facilities, services, projects, programs, studies and systems, within or without the Project, which may be necessary, desirable or beneficial to the general common interests of the Project, the Owners and the Residents. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit: social interaction among Members and Residents, maintenance of landscaping on Common Areas and public right-of-way and drainage areas within the Project, recreation, liability insurance, communications, ownership and operation

of vehicle storage areas, education, transportation, health, utilities, public services, safety and indemnification of officers and directors of the Association. The Association may also expend its funds under the laws of the State of Arizona or such municipality's charter.

**6.11 Surplus Funds.** The Association shall not be obligated to spend in any year all the Assessments and other sums received by it in such year, and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from a prior year, and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

**6.12 Working Capital Fund.** To insure that the Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each Purchaser of a Lot from the Declarant shall pay to the Association immediately upon becoming the Owner of the Lot a sum equal to one-sixth (1/6th) of the Annual Assessment on the Lot. Funds paid to the Association pursuant to this Section may be used by the Association for payment of operating expenses or any other purpose permitted under the Project Documents. Payments made pursuant to this Section shall be nonrefundable and shall not be considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration.

**6.13 Transfer Fee.** Each Purchaser of a Lot shall pay to the Association immediately upon becoming the Owner of the Lot a transfer fee in such amount as is established from time to time by the Board, except that no transfer fee shall be payable with respect to the purchase of a Lot with respect to which a payment would be due and owing to the Association pursuant to Section 6.12 of this Declaration.

## ARTICLE 7

### MAINTENANCE

#### **7.1 Areas of Association Responsibility and Public Right of Way.**

7.1.1 The Association, or its duly delegated representative, shall manage, maintain, repair and replace the Areas of Association Responsibility, and all Improvements located thereon, except the Association shall not maintain areas which any governmental entity is maintaining is obligated to maintain.

7.1.2 The Board shall be the sole judge as to the appropriate maintenance of all Areas of Association Responsibility and other properties maintained by the Association. Any cooperative action necessary or appropriate to the proper maintenance

and upkeep of said properties shall be taken by the Board or by its duly delegated representative.

**7.2 Lots.** Each Owner of a Lot shall be responsible for maintaining, repairing or replacing his Lot, and all buildings, Residential Units, landscaping or other Improvements situated thereon, except for any portion of the Lot which is an Area of Association Responsibility. All buildings, Residential Units, landscaping and other Improvements shall at all times be kept in good condition and repair. All grass, hedges, shrubs, vines and plants of any type on a Lot shall be irrigated, mowed, trimmed and cut at regular intervals so as to be maintained in a neat and attractive manner. Trees, shrubs, vines, plants and grass which die shall be promptly removed and replaced with living foliage of like kind, unless different foliage is approved in writing by the Board. No yard equipment, wood piles or storage areas may be maintained so as to be Visible From Neighboring Property or streets. All Lots upon which no Residential Units, buildings or other structures, landscaping or Improvements have been constructed shall be maintained in a weed free and attractive manner.

**7.3 Assessment of Certain Costs of Maintenance and Repair.** In the event that the need for maintenance or repair of an Area of Association Responsibility is caused through the willful or negligent act of any Member, his family, tenants, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Member and the Member's Lot is subject and shall be secured by the Assessment Lien. Any charges or fees to be paid by the Owner of a Lot pursuant to this Section in connection with a contract entered into by the Association with an Owner for the performance of an Owner's maintenance responsibilities shall also become a part of such Assessment and shall be secured by the Assessment Lien.

**7.4 Improper Maintenance and Use of Lots.** In the event any portion of any Lot is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Project which are substantially affected thereby or related thereto, or in the event any portion of a Lot is being used in a manner which violates this Declaration; or in the event the Owner of any Lot is failing to perform any of its obligations under the Project Documents, the Board may make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said fourteen day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become a part of the Assessment to which the offending Owner and the Owner's Lot is subject and shall be secured by the Assessment Lien.

**7.5 Common Walls.** The rights and duties of Owners of Lots with respect to common walls shall be as follows:

7.5.1 The Owners of contiguous Lots who have a common wall shall both equally have the right to use such wall provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner;

7.5.2 In the event that any common wall is damaged or destroyed through the act of an Owner, it shall be the obligation of such Owner to rebuild and repair the common wall without cost to the other Owner or Owners;

7.5.3 In the event any such common wall is damaged or destroyed by some cause other than the act of one of the adjoining Owners, his agents, tenants, licensees, guests or family (including ordinary wear and tear and deterioration from lapse of time), then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense;

7.5.4 Notwithstanding any other provision of this Section, an Owner who, by his negligent or willful act, causes any common wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements;

7.5.5 The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title;

7.5.6 In addition to meeting the other requirements of this Declaration and of any other building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild a common wall shall first obtain the written consent of the adjoining Owners;

7.5.7 In the event any common wall encroaches upon a Lot or the Common Area, a valid easement for such encroachment and for the maintenance of the common wall shall and does exist in favor of the Owners of the Lots which share such common wall.

#### **7.6 Maintenance of Walls other than Common Walls.**

7.6.1 Walls (other than common walls) located on a Lot shall be maintained, repaired and replaced by the Owner of the Lot.

7.6.2 Any wall which is placed on the boundary line between a Lot and the Common Area shall be maintained, repaired and replaced by the Owner of the Lot, except that the Association shall be responsible for the repair and maintenance of the side of the wall which faces the Common Area.

**ARTICLE 8****INSURANCE**

**8.1 Scope of Coverage.** Commencing not later than the time of the first conveyance of a Lot to a Purchaser, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

8.1.1 Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Areas of Association Responsibility and all other portions of the Project which the Association is obligated to maintain under this Declaration, and shall also include hired automobile and non-owned automobile coverages with cost liability endorsements to cover liabilities of the Owners as a group to an Owner;

8.1.2 Property insurance on all Areas of Association Responsibility insuring against all risk of direct physical loss, insured against in an amount equal to the maximum insurable replacement value of the Areas of Association Responsibility, as determined by the Board; provided, however, that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from a property policy.

8.1.3 Workmen's compensation insurance to the extent necessary to meet the requirements of the laws of Arizona;

8.1.4 Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association or the Owners;

8.1.5 The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(i) That there shall be no subrogation with respect to the Association, its agents, servants, and employees, with respect to Owners and members of their household;

(ii) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery on the policy;



(iii) That the coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by Owners or their mortgagees or beneficiaries under deeds of trust;

(iv) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other Owners;

(v) Statement of the name of the insured as the Association;

(vi) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the first mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy;

**8.2 Certificates of Insurance.** An insurer that has issued an insurance policy under this Article shall issue a certificate or a memorandum of insurance to the Association and, upon request, to any Owner, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this Article may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Owner and each mortgagee or beneficiary under a deed of trust to whom certificates of insurance have been issued.

**8.3 Payment of Premiums.** The premiums for any insurance obtained by the Association pursuant to Section 8.1 of this Declaration shall be included in the budget of the Association and shall be paid by the Association.

**8.4 Payment of Insurance Proceeds.** With respect to any loss to any Area of Common Responsibility covered by property insurance obtained by the Association in accordance with this Article, the loss shall be adjusted with the Association, and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. Subject to the provisions of Section 8.5 of this Declaration, the proceeds shall be disbursed for the repair or restoration of the damage to the Area of Association Responsibility.

**8.5 Repair and Replacement of Damaged or Destroyed Property.** Any portion of the Areas of Association Responsibility which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (ii) Owners representing at least eighty percent (80%) of the total authorized votes in the Association vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association. If all of the Areas of Association Responsibility are not repaired or replaced, insurance proceeds attributable to the damaged Areas of Association Responsibility shall be used to restore the damaged area to a condition which

is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall either (i) be retained by the Association as an additional capital reserve, or (ii) be used for payment of operating expenses of the Association if such action is approved by the affirmative vote or written consent, or any combination thereof, of Members representing more than fifty percent (50%) of the votes in the Association.

## ARTICLE 9

### RIGHTS OF FIRST MORTGAGEES

**9.1 Notification to First Mortgagees.** Upon receipt by the Association of a written request from a First Mortgagee or insurer or governmental guarantor of a First Mortgage informing the Association of its correct name and mailing address and the Lot number or address to which the request relates, the Association shall provide such Eligible Mortgage Holder or Eligible Insurer Or Guarantor with timely written notice of the following:

9.1.1 Any condemnation loss or any casualty loss which affects a material portion of the Project or any Lot on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer Or Guarantor;

9.1.2 Any delinquency in the payment of Assessments or charges owed by an owner of a Lot subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer Or Guarantor or any other default in the performance by the Owner of any obligation under the Project Documents, which delinquency remains uncured for the period of sixty (60) days;

9.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

9.1.4 Any proposed action which will require the consent of a specified percentage of Eligible Mortgage Holders as set forth in Section 9.2 or 9.3 of this Declaration.

**9.2 Approval Required to Terminate Project.** Any termination of the legal status of the Project for reasons other than the substantial destruction or a substantial taking in condemnation of the Project shall not be effective unless approved by Eligible Mortgage Holders holding First Mortgages on Lots the Owners of which have at least sixty-seven percent (67%) of the votes in the Association allocated to Owners of all Lots subject to First Mortgages held by Eligible Mortgage Holders.

**9.3 Approval Required for Amendment to Declaration, Articles or Bylaws.**

9.3.1 The approval of Eligible Mortgage Holders holding First Mortgages on Lots the Owners of which have at least fifty-one percent (51%) of the votes in the Association allocated to Owners of all Lots subject to First Mortgages held by Eligible Mortgage Holders shall be required to add or amend any material provisions of the Declaration, Articles or Bylaws which establish, provide for, govern or regulate any of the following:

- (i) Voting rights;
- (ii) Assessments, assessment liens or subordination of assessment  
liens;
- (iii) Reserves for maintenance, repair and replacement of Common  
Areas;
- (iv) Insurance or fidelity bonds;
- (v) Responsibility for maintenance and repairs;
- (vi) Expansion or contraction of the Project, or the addition,  
annexation or withdrawal of property to or from the Project;
- (vii) Boundaries of any Lot;
- (viii) Reallocation of interests in the Common Areas or the rights  
to their use;
- (ix) Convertability of Lots into Common Areas or of Common  
Areas into Lots;
- (x) Leasing of Lots;
- (xi) Imposition of any restrictions on an Owner's right to sell or  
transfer his Lot;
- (xii) A decision by the Association to establish self management  
when professional management had been required previously by an Eligible Mortgage  
Holder;
- (xiii) Restoration or repair of the Project (after a hazard damage  
or partial condemnation) in a manner other than that specified in the Project Documents;

(xiv) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs;

(xv) Any provisions which expressly benefit First Mortgagees, Eligible Mortgage Holders or Eligible Insurers Or Guarantors.

9.3.2 Any addition or amendment to the Declaration, Articles or Bylaws shall not be considered material if it is for the purpose of correcting technical errors or for clarification only.

**9.4 First Mortgagee's Right of Inspection of Records.** Any First Mortgagee will, upon written request, be entitled to (i) inspect the books and records of the Association during normal business hours, (ii) receive within ninety (90) days following the end of any fiscal year of the Association, a financial statement of the Association for the immediately preceding fiscal year of the Association, free of charge to the requesting party, and (iii) receive written notice of all meetings of the Members of the Association and be permitted to designate a representative to attend all such meetings.

**9.5 Limitation on Partition and Subdivision.** No Lot shall be partitioned or subdivided without the prior written approval of the holder of any first Mortgage on such Lot.

**9.6 Prior Written Approval of First Mortgagees.** Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each First Mortgage owned) or Owners (other than the sponsor, developer or builder) of at least two-thirds (2/3) of the Lots have given their prior written approval, the Association shall not be entitled to:

9.6.1 Seek to abandon, partition, subdivide, sell or transfer the Common Area owned, directly or indirectly, by the Association for the benefit of the Lots. The granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of this Subsection;

9.6.2 Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner;

9.6.3 Change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Lots or the maintenance of the Common Area;

9.6.4 Fail to maintain fire and extended coverage on insurance common area on current replacement cost basis in an amount of at least 100 percent of insurable value;

9.6.5 Use hazard insurance proceeds for losses to any Common Area, other than the repair, replacement or reconstruction of such Common Area.

9.7 No Priority over First Mortgagees. No provision of this Declaration gives or shall be construed as giving any owner or other Person priority over any rights of a First Mortgagee of a Lot in the case of the distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of the Common Area.

9.8 Failure of First Mortgagees to Respond. Any First Mortgagee who receives a written request from the Board to respond to or consent to any action requiring the consent of the First Mortgagee shall be deemed to have approved such action if the Association has not received a negative response from such First Mortgagee within thirty (30) days of the date of the Association's request.

9.9 Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Article and any other provision of the Project Documents, the provisions of this Article shall prevail; provided, however, that in the event of any conflict or inconsistency between the different Sections of this Article or between the provisions of this Article and any other provisions of the Project Documents with respect to the number or percentage of Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers Or Guarantors that must consent to (i) an amendment of the Declaration, Articles or Bylaws, (ii) a termination of the Project, or (iii) certain actions of the Association as specified in Section 9.2, 9.3 and 9.6 of this Declaration, the provision requiring the consent of the greatest number or percentage of Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers Or Guarantors shall prevail; provided, however, that so long as there is a Class B membership in the Association, the Declarant, without the consent of any Owner or First Mortgagee being required, shall have the right to amend this Declaration, the Articles of the Bylaws in order to conform this Declaration, the Articles or the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required or requested by the Declarant.

## ARTICLE 10

### GENERAL PROVISIONS

10.1 Enforcement. The Association or any Owner shall have the right to enforce the Project Documents and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in any contract, deed, declaration or other instrument which (i) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (ii) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association or by Declarant.

**10.2 Term; Method of Termination.** This Declaration shall continue in full force and effect for a term of twenty (20) years from the date this Declaration is recorded. After which time, this Declaration shall be automatically extended for successive periods of ten (10) years each. This Declaration may be terminated at any time if such termination is approved by the affirmative vote or written consent, or any combination thereof, of the Owners representing ninety percent (90%) or more of the votes in each class of membership and by the holders of First Mortgages on Lots, the Owners of which have seventy-five percent (75%) or more of the votes in the Association. If the necessary votes and consents are obtained, the Board shall cause to be recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon this Declaration shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles.

**10.3 Amendments.**

10.3.1 Except for amendments made pursuant to Subsection 2.2 or 10.3.2 of this Declaration, the Declaration may only be amended by the written approval or the affirmative vote, or any combination thereof, of Owners of not less than seventy-five percent (75%) of the Lots.

10.3.2 The Board may amend this Declaration or the Plat, without obtaining the approval or consent of any Owner or First Mortgagee, in order to conform this Declaration or the Plat to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Board.

10.3.3 So long as the Declarant owns any Lot, any amendment to this Declaration must be approved in writing by the Declarant.

10.3.4 So long as there is a Class B membership in the Association, any amendment to this Declaration must have the prior written approval of the Veterans Administration or the Federal Housing Administration.

10.3.5 Any amendment approved pursuant to Subsection 10.3.1 of this Declaration or by the Board pursuant to Subsection 10.3.2 of this Declaration shall be signed by the President or Vice President of the Association and shall be recorded with the County Recorder of Maricopa County, Arizona. Any such amendment shall certify that the amendment has been approved as required by this Section. Any amendment made by the Declarant pursuant to Subsection 2.2 of this Declaration shall be executed by the Declarant and shall be recorded with the County Recorder of Maricopa County, Arizona.

**10.4 Interpretation.** Except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefitted or bound by this Declaration. In the event of any conflict between this Declaration and the Articles, Bylaws, Association Rules or Architectural Rules, this Declaration shall control. In the event of any conflict between the Articles and the Bylaws, the Articles shall control. In the event of any conflict between the Bylaws and the Association Rules or the Architectural Rules, the Bylaws shall control.

**10.5 Severability.** Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

**10.6 Rule Against Perpetuities.** If any interest purported to be created by this Declaration is challenged under the Rule against Perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be (i) those which would be used in determining the validity of the challenged interest, plus (ii) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

**10.7 Change of Circumstances.** Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

**10.8 Rules and Regulations.** In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association shall have the right to adopt rules and regulations with respect to all other aspects of the Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

**10.9 Laws, Ordinances and Regulations.**

10.9.1 The covenants, conditions and restrictions set forth in this Declaration and the provisions requiring Owners and other persons to obtain the approval of the Board with respect to certain actions are independent of the obligation of the Owners and other persons to comply with all applicable laws, ordinances and regulations, and compliance with this Declaration shall not relieve an Owner or any other person from the obligation to also comply with all applicable laws, ordinances and regulations.

10.9.2 Any violation of any state, municipal, or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the

Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

**10.10**      References to this Declaration in Deeds. Deeds to and instruments affecting any Lot or any part of the Project may contain the covenants, conditions and restrictions herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any Deed or instrument, each and all of the provisions of this Declaration shall be binding upon the grantee-Owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assignees.

**10.11**      Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

**10.12**      Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent of context thereof.

**10.13**      Notices. If notice of any action or proposed action by the Board or any committee or of any meeting is required by applicable law, this Declaration or resolution of the Board to be given to any Owner, Lessee or Resident then, unless otherwise specified herein or in the resolution of the Board, such notice requirement shall be deemed satisfied if notice of such action or meeting is published once in any newspaper in general circulation within Maricopa County. This Section shall not be construed to require that any notice be given if not otherwise required and shall not prohibit satisfaction of any notice requirement in any other manner.

**10.14**      FHA/VA Approval. So long as there is a Class B membership in the Association, the following actions shall require the prior written approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of common areas, an amendment to this Declaration.

**10.15**      No Absolute Liability. No provision of the Project Documents shall be interpreted or construed as imposing on Owners absolute liability for damage to the Common Area or the Lots. Owners shall only be responsible for damage to the Common Area or Lots caused by the Owners' negligence or intentional acts.



92 313171

Pulte Home Corporation, a Michigan corporation

By: [Signature]

Its: [Signature]

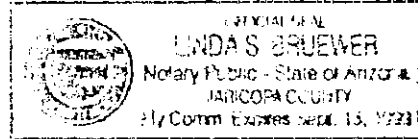
State of Arizona )  
County of Maricopa ) ss.

The foregoing instrument was acknowledged before me this 3rd day of June, 1992, by Willis W. Martin, the Land Dev. Mgr. of Pulte Home Corporation, a Michigan corporation, on behalf of the corporation.

[Signature]  
Notary Public

My Commission Expires:

9.15.93



## EXHIBIT A

Lots 1 through 133, inclusive, and Tracts A and B, Premiere at Pinnacle Peak, according to the plat recorded in Book 350, page 38, records of Maricopa County, Arizona.



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL

Recording Number  
92-0044252

01/28/92 02:21

1 of 1

TAMMIE

SECOND AMENDMENT TO THE MASTER  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
LOS PORTONES

THIS Second Amendment of the Master Declaration of Covenants, Conditions, Restrictions for Los Portones (hereinafter termed the "Declaration") is made pursuant to Paragraph 18 of the Master Declaration of Covenants, Conditions, and Restrictions on the date hereinafter set forth by the Property Owners ("Property Owners") constituting no less than seventy-five percent (75%) of the votes, as described on the attached Exhibits "A" and "B", relative to the affairs of the Association.

R E C I T A L S :

WHEREAS, there is attached as Exhibit "A", a listing of the Property Owners owning in fee all of the properties within Los Portones. Such Exhibit describes the location within Los Portones, the number of acres or lots, and the number of votes entitled to be cast;

WHEREAS, the Property Owners of the Real Property, as described on Exhibit "B" attached hereto and by reference made a part hereof, constitute no less than seventy-five (75%) of the votes relative to the affairs of the Association;

WHEREAS, Johnes-Spector Company, an Arizona general partnership; P-W Scottsdale Venture, an Arizona joint venture; Pinnacle Peak & Miller Investment Limited Partnership, an Arizona limited partnership; and Pinnacle Peak Investors Limited Partnership, an Arizona limited partnership, as Declarant ("Declarant") caused to be recorded the Master Declaration of Covenants, Conditions, and Restrictions for Los Portones (the "Master Declaration") in official records of Maricopa County, Arizona, May 29, 1986 as Document 86-264470; and the First Amendment (the "First Amendment") to Master Declaration of Covenants, Conditions and Restrictions for Los Portones as recorded in the official records of Maricopa County, Arizona, September 19, 1986 as Document 86-509894;

WHEREAS, the Property Owners wish to amend certain parts of the Master Declaration and the First Amendment by this Second Amendment to the Master Declaration of Covenants, Conditions, Restrictions (hereinafter collectively called "Covenants") hereinafter set forth; and

NOW, THEREFORE, in consideration of the foregoing and the Covenants, Conditions and Restrictions hereinafter contained, the Master Declaration and the First Amendment are amended as follows:

A. All terms contained herein shall have the same meaning as such terms have for purposes of the Master Declaration, as amended, and all definitions contained in the Master Declaration, as amended, are expressly incorporated herein by reference.

B. Paragraph 1.9 "Improvement" should be deleted in its entirety and replaced by the following:

1.9 "Improvement" means the buildings, roads, driveways, parking areas, fences, walls, hedges, plantings, planted trees, shrubs and all other structures or landscaping improvements of every kind and nature whatsoever and berms, levees and other drainage and erosion control devices."

C. Paragraph 8 "Maintenance, Repairs and Replacements, Right of Access", the word "improvements" shall be changed to read "Improvements".

D. Paragraph 9 "Alterations, Additions or Improvements" the word "improvements" shall be changed to read "Improvements".

E. Paragraph 10 "Encroachment Easement", the word "improvements" shall be changed to read "Improvements".

F. Paragraph 11 "Purchase of Lot or Parcel by Association" is deleted in its entirety.

G. Paragraph <sup>26.0</sup> 26.1 "Common Area Maintenance Expenses" states that an Assessment Unit is equivalent to .0009933114. This percent equated to 133.96 acres. An Assessment Unit shall be changed to be equivalent to .0011086475, and is based on 113.18 acres.

H. Paragraph 26.2 "Maximum Assessment for Common Expenses" shall be deleted in its entirety and replaced by the following:

26.2 "Maximum Annual Assessment For Common Expenses". Until January 1, 1994, the maximum assessment shall be Two Dollars and 50/100 (\$2.50) per Assessment Unit per month.

1. From and after January 1, 1994, the Maximum Annual Assessment per Assessment Unit shall be increased effective January 1 of each year without a vote of the Membership in conformance with the rise, if any, of the Consumer Price Index as hereinafter defined. The Maximum Annual Assessment for each such period shall be computed by reference to the statistics published in the Monthly Labor Review by the United States Department of Labor, Bureau of Labor Statistics, designated "Consumer Price Index--U.S. City Average for Urban Wage Earners and Clerical Workers, 1967 Equals 100, All Items", hereinafter called "Consumer Price Index". For purposes of identification, the Consumer Price Index for June 1980 was 247.8. If the Bureau of Labor Statistics shall change the method of determining the Consumer Price Index, the formula for determining the Maximum Annual Assessment shall be altered or amended, if possible, so as to continue the base period and base figure, but in the event it shall be impossible to do so, or in the event the Bureau of Labor Statistics shall cease to publish the said statistical information and such information is not available from any other source, public or private, then and in any such events a new formula for determining the Maximum Annual Assessment shall be adopted by the Board.
  2. From and after January 1, 1994, the Maximum Annual Assessment per Assessment Unit may be increased above the amount set forth in Paragraph 1 above 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.
  3. The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum.
- I. Paragraph 26.3 "Special Assessments" shall be deleted in its entirety and replaced by the following:
- 26.3 "Special Assessments". In addition to the Annual Assessments authorized above, the Association may levy, in any Assessment Period, one or more Special Assessments applicable to that period only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of improvements upon the Common Areas, including fixtures and personal property related thereto, any

unanticipated expenses of the Association or any shortfall in the Association funds.

J. Paragraph 18 "Amendment" shall be deleted in its entirety and replaced by the following:

18. "Amendment". 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 automatically extended for successive periods of ten (10) years, unless sooner revoked in the manner provided herein. The provisions of this Declaration may be changed, modified or amended by an instrument in writing setting forth such change, modification or amendment, signed by Owners holding not less than seventy-five percent (75%) of the votes relative to the affairs of the Association; provided, however, that any such change, modification or amendment having a non-uniform affect on one or more, but less than all Owners, shall require an instrument in writing setting forth such non-uniform change, modification or amendment, signed by Owners holding not less than one hundred percent (100%) of the votes relative to the affairs of the Association. As used in this paragraph, a non-uniform change, modification or amendment would be such a change, modification or amendment having a financial impact or imposing obligations or liabilities on an Owner with respect to a Lot or Parcel disproportionate to the proportionate share of Common Expenses payable by such affected Owner with respect to such Lot or Parcel in accordance with this Declaration.

K. All of the provisions of this Amendment shall be deemed to be covenants running with the land and equitable servitudes and shall be binding upon and shall inure to the benefit of any grantee, purchaser, or any other person having at a time any interest or estate in the property which is subject to the Declaration.

L. Except as amended hereby, the Declaration shall remain unmodified and in full force and effect. In the event of any conflict between any provision of the Declaration and any provision or provisions of this Second Amendment, the provisions of this Second Amendment shall be deemed to supercede such conflicting provision of the Declaration.

92 044252

IN WITNESS WHEREOF, the Property Owners have executed this instrument as of the 7th day of January, 1992.

PROPERTY OWNERS:

DEL WEBB'S COVENTRY HOMES  
CONSTRUCTION CO.

By: Joseph Catalano

DMB PINNACLE PEAK LIMITED  
PARTNERSHIP

by DMB - its general partner  
By: Michael A. O'Neil - its exec. v.p.

FIRST STAR METROPOLITAN BANK AND  
TRUST

By: James Kane

H G S CORPORATION

By: Gregory W. Stanford

92 044252

STANDARD CHARTERED BANK

By: [Signature]

BEST ASSET MANAGEMENT SERVICES,  
IN ITS CAPACITY AS ASSET  
MANAGEMENT CONTRACTOR FOR THE  
RESOLUTION TRUST CORPORATION, AS  
RECEIVER FOR SECURITY SAVINGS &  
LOAN ASSOCIATION, an Arizona  
corporation

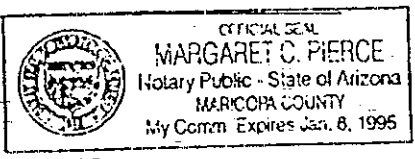
By: [Signature]

STATE OF ARIZONA        )  
                                  ) ss.  
County of Maricopa     )

On this 11<sup>th</sup> day of January, 1992, before me, the undersigned Notary Public, personally appeared Joseph Cortadine, who acknowledged himself to be the President of Del Webb's Coventry Homes Construction Co., and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, by himself as President

[Signature]  
Notary Public

My Commission Expires:



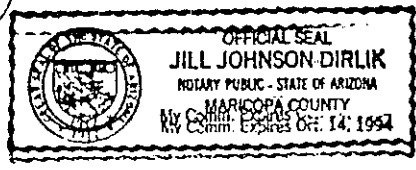


STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

On this 23<sup>rd</sup> day of January, 1992, before me, the undersigned Notary Public, personally appeared Michael DeBell, who acknowledged himself to be the Exec. V. P. of DMB Pinnacle Peak Ltd. Partnership, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, by himself as Exec. V. P.

Jill Johnson-Dirlak  
Notary Public

My Commission Expires:  
Oct. 14, 1994



STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

On this 23 day of January, 1992, before me, the undersigned Notary Public, personally appeared James Kane, who acknowledged himself to be the Vice President of First Star Metropolitan Bank & Trust, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, by himself as \_\_\_\_\_.

Betty Tompkins  
Notary Public

My Commission Expires:  
5-31-94

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

On this 24<sup>th</sup> day of January, 1992, before me, the undersigned Notary Public, personally appeared Gregory Dean Stanford, who acknowledged himself to be the Secretary of H G S Corporation, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, by himself as \_\_\_\_\_.

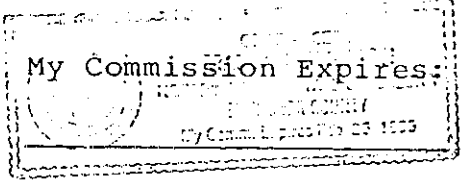
Betty Tompkins  
Notary Public

My Commission Expires:  
5-31-94

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

On this 23 day of January, 1992, before me, the undersigned Notary Public, personally appeared M. A. Shields, who acknowledged himself to be the Authorized Rep. of Standard Chartered Bank, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, by himself as Authorized Rep..

Frances Atkinson  
Notary Public



STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

On this 23<sup>rd</sup> day of January, 1992, before me, the undersigned Notary Public, personally appeared Sandra Burnett, who acknowledged himself to be the Dir. Of Operations of Best Asset Management Services, in its capacity as Asset Management Contractor for the Resolution Trust Corporation, as Receiver for Security Savings & Loan Association, an Arizona corporation, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, by himself as

[Signature]  
Notary Public

My Commission Expires:  
Dec. 4, 1994