

When recorded mail to:

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LITCHFIELD MOUNTAIN VIEW HOMES

THIS DECLARATION, made on the date hereinafter set forth by The Creative Classics Company, an Arizona corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Maricopa, State of Arizona, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

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

ARTICLE | DEFINITIONS

- Section 1. "Architectural Committee" shall mean the committee created pursuant to Article VIII hereof.
- Section 2. "Architectural Committee Rules" shall mean the rules adopted by the Architectural Committee.
- **Section 3**. "Articles" shall mean the Articles of Incorporation of the Association which are, or shall be filed in the Office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

- **Section 4**. "**Association**" shall mean and refer to LITCHFIELD MOUNTAIN VIEW HOMES HOMEOWNERS' ASSOCIATION, INC., an Arizona non-profit corporation, its successors and assigns.
- **Section 5**. "**Association Rules**" shall mean the rules adopted by the Board, as they may be amended from time to time.
 - Section 6. "Board" shall mean the Board of Directors of this Association.
- **Section 7**. "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.
- **Section 8**. "Common Area(s)" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.
- **Section 9.** "Declarant" shall mean The Creative Classics, an Arizona corporation, or any trustee or escrowee which may be designated by Declarant.
- Section 10. "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as same may from time to time be amended.
- **Section 11.** "Improvement" shall mean the buildings, roads, roadways, parking areas, lighting fixtures, fences, walls, hedges, plantings, planted trees and shrubs, and all other structures or landscaping of every type and kind
- **Section 12**. "Lot" shall mean and refer to any separate parcel of real property shown upon any recorded subdivision map of the Property, which the exception of any Common Area.
- **Section 13.** "Member" shall mean any person, corporation, partnership, joint venture or other legal entity who is a member of the Association.
- Section 14. "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Lot. "Owner" shall include the purchaser under an executory contract for the sale of property but shall not include an optionee under an option to purchase a Lot or Lots. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include a lessee or tenant of a Lot. For the purposes of ARTICLE IV only, unless the context otherwise requires, "Owner" shall also include the family, guests, invitees, licensees, and lessees of any Owner, together with any other person or parties holding any possessory interest granted by such Owner in any Lot. "Owner" shall include Declarant so long as Declarant owns any Lot within the Property.
- **Section 15**. "**Property**" or "**Properties**" shall mean and refer to that certain real, personal, or mixed property hereinbefore described which is subject to this Declaration, and such additions hereto as may hereafter be brought within the jurisdiction of the Association.

- Section 16. "Public Purchaser" shall mean any person or other legal entity who becomes an Owner of any Lot within the Property, except Declarant.
- **Section 17**. "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE II PROPERTY RIGHTS

- **Section 1**. **Owners' Easements of Enjoyment**. Every Owner except Declarant shall have a right and easement of enjoyment in and to any Common Area, for the purposes for which any Common Area is intended, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:
- (a) The right of the Association to charge reasonable fees for the use of any facility situated upon any Common Area;
- (b) The right of the Association to suspend the voting rights and right to use of the facilities by an Owner for any period during which any assessment against his Lot remains unpaid or for any infraction of this Declaration or the rules or regulations duly promulgated by the Association, the Board or any duly constituted committee of the Association or Board.
- part of any Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members as hereinafter provided. No such dedication, transfer, or conveyance shall be effective unless an instrument, signed by Owners representing two-thirds (2/3) of the Lots and Declarant and agreeing to such dedication, transfer, or conveyance, has been recorded.
- (d) The right of Declarant and its agents and representatives, in addition to the rights set forth elsewhere in this Declaration, to non-exclusive use, without charge, of any Common Area for maintenance of sales facilities, and for reasonable display and exhibit purposes.
- Section 2. Delegation of Use. Any Owner may delegate, in accordance with this Declaration, his right of enjoyment to any Common Area to the members of his family, his tenants, lessees, guests, and invitees, provided such delegation is for a reasonable number of persons and at reasonable times. The Board shall at all times have the right and authority to adopt and promulgate rules and regulations governing or restricting the usage of any Common Area, including hours of usage, number of members or guests using common facilities at one time, reservations, advance notice, etc.

Section 3. Owner's Easement of Enjoyment Limitations.

(a) An Owner's right and easement of enjoyment in and to any Common Area shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot and such right and easement of enjoyment in and to any Common Area shall be

deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Owner's Lot, notwithstanding the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to any Common Area.

- (b) Any Common Area shall remain undivided and no action for partition or division of any part hereof shall be permitted.
- (c) Each Owner, tenant and occupant of a Lot, and the invitees, tenants, agents and employees of such Owner, may, subject to rules and regulations adopted by the Board, use any Common Area in common with the Owners, invitees, tenants, agents and employees of the other Lots in accordance with the purposes for which it is intended without hindering or encroaching upon the lawful right of such others.
- (d) No Owner will be exempted from liability for assessments with respect to any Common Area by waiver of the enjoyment of the right to use the Common Area or by abandonment of his Lot or otherwise.
- **Section 4. Title to Common Area**. Declarant shall convey title to any Common Area and all improvements thereon to the Association, free of all encumbrances except current real property taxes and other easements, conditions, reservations and restrictions then of record.

ARTICLE III GENERAL DECLARATION

Declarant has developed the Property into various Lots. Declarant intents to sell and convey to Public Purchasers, Lots within the Property so developed subject to this Declaration. Declarant hereby declares that all of the Property subject hereto is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration, as amended or modified from time to time. This Declaration is declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of said Property and is established for the purpose of enhancing and perfecting the value, desirability and attractiveness of said Property and every part thereof. All of this Declaration shall run with all of said Property for all purposes and shall be binding upon and inure to the benefit of Declarant, the Association, all Owners and their successors in interest.

ARTICLE IV LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS

- Section 1. Permitted Uses and Restrictions ALL Property. The permitted uses, easements, and restrictions for all Property covered by this Declaration, shall be as follows:
- devoted exclusively to single family residential use. No gainful occupation, profession, trade or other non-residential use shall be conducted on any Lot. Nothing herein shall be deemed to prevent the leasing of any Lot to a single family from time to time by the Owner thereof, subject to all of the provisions of this Declaration. No structure whatever, other than one private single family residence, together with a private garage for not less than two automobiles, shall be erected, placed or permitted to remain on any Lot. Each single family residence shall contain not less than 1,200 square feet of livable space exclusive of open porches, patios or garages. Notwithstanding any contrary provisions hereof, Lots owned by

Declarant or any licensed general contractor designated by Declarant may be used as model homes, and for sales and construction offices for the purpose of selling Lots within the Property, until such time as all of the Lots have been sold to Public Purchasers.

- (b) Antennas. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any Property whether attached to a building or structure or otherwise, unless approved by the Board and in no event shall any such antenna or device be Visible From Neighboring Property.
- or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any 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 approved by the Architectural Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Architectural Committee, nor shall any provision hereof prohibit the erection of service pedestals and above-ground switch cabinets and transformers where required.
- Improvements and Alterations. No improvements, alterations, repairs, excavation or other work which in any way alters the exterior appearance of any Property or the Improvements located thereon from its natural or improved state existing on the date such Property was first conveyed or transferred to a Public Purchaser shall be made or done without the prior approval of the Architectural Committee, except as otherwise expressly provided in this Declaration. No building, fence, wall, or other structure shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the Architectural Committee or any committee established by the Architectural Committee for that purpose. Pursuant to its rulemaking power, the Architectural Committee shall establish a procedure for the preparation, submission and determination of applications for any such alteration or improvement. The Architectural Committee shall have the right to refuse to approve any plans or specifications or grading plan, which are not suitable or desirable, in its opinion, for aesthetic or other reasons, and in so passing upon such plans, specifications and grading plans, and without any limitation of the foregoing, it shall have the right to take into consideration the suitability of the proposed building or other structure, and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the building or other structure or improvement as planned, on the outlook from the adjacent or neighboring Property. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme and building materials, shall be subject to the prior approval of the Architectural Committee. No changes or deviations in or from such plans and specifications once approved shall be made without the prior written approval of the Architectural Committee. All decisions of the Architectural Committee shall be final and no Lot Owner or other parties shall have recourse against the Architectural Committee or any of its members, for and with respect to any decisions made in good faith.
 - (e) <u>Maintenance of Lawns and Plantings</u>. The Association shall maintain any lawns and plantings on all Common Areas, and for this purpose, the Association shall have the right, at any time, to plant, replace, maintain and cultivate landscaping, shrubs, trees,

grass and plantings on any Common Area and on such easements over an Owner's Lot as may have been granted to Declarant or the Association, regardless of whether any Owner or the Association is responsible hereunder for maintenance of such areas. No Owner shall remove, alter, injure or interfere in any way with any landscaping, shrubs, trees, grass or plantings upon any Common Area without the written consent of the Association having first been obtained.

- permitted to fall into disrepair, and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. The Association shall have the right, after thirty (30) days' notice to an Owner, to repair, paint, or otherwise maintain the exterior or any Improvement (and without notice in the event of an emergency) which the Association, acting through its Board, determines in its discretion is in violation of this provision. All costs and expenses, including reasonable attorneys' fees, incurred by the Association shall be borne by the Owner, and shall be paid to the Association on demand plus interest at the maximum lawful rate for contracting parties from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in a like manner as assessments levied pursuant to Article VII. Carports and garages must be kept in a neat and tidy manner at all times when the interior of the same is visible from the street or from adjoining property.
- kept on any Property except in covered containers of a type, size and style which are approved by the Architectural Committee. 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. The Board shall have the right, in its sole discretion, to require all Owners to subscribe to a trash service. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Lot.
- (h) <u>Overhangs</u>. No tree, shrub, or planting of any kind on any Property shall be allowed to overhang or otherwise to encroach upon any Common Area from ground level to a height of twelve (12) feet, without the prior approval of the Architectural Committee.
- (i) Right of Way. During reasonable hours, Declarant or any member of the Board shall have the right to inspect the exterior of any Property and the Improvements thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.
- be placed, operated or maintained upon or adjacent to any Property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such property, and except that which Declarant, or the Association may require for the operation and maintenance of any Common Area. No elevated tanks or large containers of any kind shall be erected, placed or permitted upon any Lot, except for use in connection with any residence thereon, and except as shall have first been approved by the Architectural Committee. All such approved tanks or containers shall be buried or kept screened by

adequate plantings or fence work, and shall not be Visible From Neighboring Property. Without the approval of the Architectural Committee, no machinery or equipment of any kind shall be placed, operated or maintained upon the roof of any structure.

- or separated into smaller lots or parcels by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Board. No Lot may be converted into a condominium or cooperative or other similar type of entity. No portion of a Lot, but for the entire Lot, together with the Improvements thereon, may be rented or leased, and then only to a single family.
- (I) <u>Signs</u>. No signs whatsoever which are Visible From Neighboring Property shall be erected or maintained on any Lot except such signs the nature, number and location of which have been approved in advance by the Architectural Committee.
- (m) <u>Utility Easements</u>. There is hereby created a blanket easement upon, across, over and under the above described Property for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including, but not limited to, water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on said Property and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of said Property. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on said Property except as initially developed and approved by the Declarant or thereafter approved by the Board. This easement shall in no way affect any other recorded easements on said Property.
- except that two dogs, two cats and such other small pets primarily kept in the residential dwelling may be kept, provided such pets are not kept, boarded, bred or maintained for any commercial purpose. All animals, including dogs, shall be kept within a fenced area, caged or otherwise controlled, and not allowed to wander about. The Board shall at all times have the right to adopt and promulgate rules and regulations regarding pets and animals. Decisions rendered and rules and regulations adopted by the Board shall be enforceable as other restrictions contained herein.
- Improvement, building, tent, shack, garage or barn, and no temporary Improvement of any kind shall be used at any time for a residence on any Property either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any such Property shall be removed immediately after the completion of construction. Notwithstanding any contrary provision hereof, Declarant and licensed contractors authorized by Declarant shall have the right until the Property is completely developed to maintain temporary construction, sales and storage facilities incident to the development and sale of the Lots to Public Purchasers.

- Trailers and Motor Vehicles. No mobile home, motorhome, boat, (p) recreational vehicles, trailer of any kind, truck, camper, permanent tent, or similar structure shall be kept, placed, maintained, constructed, reconstructed or repaired, nor shall any motor vehicle be constructed, reconstructed or repaired, upon any portion of any Property or street (public or private) within the Property, in such a manner as will be Visible From Neighboring Property for more than twenty-four (24) consecutive hours or for more than forty-eight (48) hours, in the aggregate during any consecutive seven (7) day period; provided, however, that the provisions of this paragraph shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Architectural Committee. Garages shall be used for parking vehicles and storage purposes only, and shall not be converted for living or recreational activities without the written consent of the Architectural Committee. Except as provided above, only automobiles in operating condition shall be parked in uncovered parking areas. Automobiles and other motor vehicles shall not be parked in or on any Common Area without the prior approval of the Board.
- to accumulate upon or adjacent to any Property, and no odors shall be permitted to arise therefrom, so as to render any such Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its occupants. No nuisance shall be permitted to exist or operate upon any such Property so as to be offensive or detrimental to any other Property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devises, except security devices used exclusively for security purposes, shall be located, used or placed on any such Property. The Board in its sole discretion shall have the right to determine the existence of any such nuisance. No motorcycles or motor driven vehicles (except lawn maintenance equipment and golf carts) shall be operated on any walkways or sidewalks within the Property.
- (r) <u>Clothes Drying Facilities</u>. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Property unless they are erected, placed and maintained exclusively within a fenced service yard or otherwise concealed and shall not be Visible From Neighboring Property.
- (s) <u>Mineral Exploration</u>. No 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.
- (t) <u>Diseases and Insects</u>. No Owner shall permit any thing or condition to exist upon any Property which shall induce, breed or harbor infectious plant diseases or noxious insects.
- (u) <u>Drainage Easement</u>. There is hereby created a blanket easement for drainage of groundwater on, over and across the Property. No Owner shall obstruct, divert, alter or interfere in any way with the drainage of groundwater upon, across or over any portion of the Property. Each Owner shall at his own expense maintain the drainageways and channels on his Lot in proper condition free from obstruction. The Association shall have the right, after thirty (30) days' notice to an Owner, to repair or otherwise maintain the drainageway or channel on said Owner's Lot, which the Association, acting through its Board,

determines has not been maintained by the Owner in compliance with this provision. All costs and expenses, including reasonable attorney's fees incurred by the Association shall be borne by the Owner, and shall be paid to the Association on demand, plus interest at the maximum lawful rate for contracting parties from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in like manner as assessments levied pursuant to Article VII.

- (v) <u>Air Conditioning and Heating Equipment</u>. No exterior air conditioning unit, heating unit or evaporative cooler equipment shall be installed without the prior written approval of the Architectural Committee. All air conditioning units, heating units and evaporative cooling equipment shall be ground mounted and shielded and hidden so that they shall not be readily Visible From Neighboring Property. The Architectural Committee shall have the right to require any specific shielding and such approval shall be binding on all persons so long as it is maintained in the condition as approved by the Architectural Committee.
- (w) <u>Builder's Exemption</u>. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized licensed contractors, of structures, improvements or signs reasonably necessary or convenient to the development, sale, operation or other disposition of the Property. The construction of residential dwellings and sale, rental or other disposal of said residential units is essential to the establishment and welfare of the Properties as a residential community. In order that the work may be completed and the Properties established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood and construed to:
- (1) Prevent Declarant, its authorized contractors or subcontractors from going on the Properties or any Lot thereof, whenever it is reasonably necessary or advisable in connection with the completion of said work; or
- (2) Prevent Declarant, or its authorized representatives, from erecting, constructing and maintaining on the Properties, such structures as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise;
- Public Purchaser, from amending this Declaration to establish on the Properties additional easements, reservations or rights of way to itself, to utility companies or to others as may from time to time be reasonably necessary to the proper development and disposal of the Properties or any Lots therein. Declarant shall have the right, following the acquisition of title by a Public Purchaser from Declarant, to grant easements and rights of way to utility companies for the purpose of serving properties affected by this Declaration. Declarant, or the organization for whose benefit said easements, reservations and rights of way have been established, shall have the right at any time to cut and remove any trees or branches or any other unauthorized object from such easements, reservations and rights of way.
- (x) <u>Solar Heating</u>. Upon obtaining the prior approval of the Architectural Committee in accordance with the provisions of Article IV, Section 1, Paragraph D of this Declaration, the Owner of any Lot may, subject to the terms, covenants, provisions and

conditions of Article IV, Section 1, Paragraph D of this Declaration, install, replace, repair, maintain, use, modify and change a solar heating system on such Lot. The Architectural Committee shall have the right and power to promulgate reasonable and non-discriminatory rules relating to the use, operation, repair, replacement, maintenance and modification of any solar heating system, and each and every Owner shall be bound thereby. Solar heating systems may be installed on roofs if the Architectural Committee determines that the installation will be aesthetic pursuant to the requirements of Article IV, Section 1, Paragraph D, which may include screening from neighboring property, roads and streets.

(y) Landscaping.

- (1) Landscaping of the front and side yards of each Lot which is visible from the street shall be completed within six (6) months of the final building inspection.
- (2) Each owner, tenant and occupant of a lot shall care for and maintain all landscaping and shall keep all shrubs, trees, grass and plantings of every kind thereon neatly trimmed, properly cultivated, and free of trash, weeds, and other unsightly material.
- (3) Without prior written consent of Declarant, no excavation shall be made except in connection with construction of an improvement and, upon completion thereof, exposed openings shall be backfilled and disturbed ground shall be compacted, graded and leveled. The slope and drainage constructed by the original subdivision developer shall be preserved to the greatest extent possible.
- with a "lifetime roofing material" on any roof with a drop greater than one inch for every horizontal foot of run. "Lifetime roofing material" is defined as a material that will withstand the elements for a period of time equal to or greater than the expected useful life of all structures upon each Lot, and shall include tile, slate, and cement roofing materials. Declarant reserves the right in its discretion to determine whether any product designed as a roofing material, whether specifically mentioned above or not, shall meet the intent of this restriction. Specifically prohibited on roofs covered by this restriction are asphalt shingles, metal, built-up roofing (whether or not covered by gravel or rock products), wood, foam, asphalt roll roofing, and other similar products. Any structure exempted as set forth above from this lifetime roofing material requirement shall have a parapet wall on all sides of the roof sufficient in height so the roof will not be Visible From Neighboring Properties.

ARTICLE V THE ASSOCIATION

Section 1. Organization.

(a) The Association. The Association is an Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. The Association shall be incorporated prior to the conveyance of any Lot to a Public Purchaser.

- (b) <u>Board of Directors and Officers</u>. The affairs of the Association shall be conducted by a Board of Directors and such Officers as the Directors may elect or appoint, in accordance with the Articles and Bylaws, as same may be amended from time to time.
- **Section 2**. **Powers and Duties of the Association**. The Association shall have such rights, duties and powers as set forth in the Articles and Bylaws, as same may be amended from time to time.
- Section 3. Rules. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations known as the "Rules". The Rules may restrict and govern the use of any area by any Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded. Said Rules shall have the same force and effect as if they were set forth in and were a part of the Declaration.
- Section 4. Personal Liability. No member of the Board or any Committee of the Association, or any officer of the Association, or any Manager, shall be personally liable to any Owner, or to any other party, 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, any Manager, or Committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without wilful or intentional misconduct.

ARTICLE VI MEMBERSHIP AND VOTING RIGHTS

- Section 1. Members. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.
- Section 2. Class of Members. The Association shall have two (2) classes of voting membership:
 - Class A. Class A Members shall be all Owners (with the exception of the Declarant) and shall be entitled to one vote for each Lot owned.
 - Class B. Class B Members shall be the Declarant and shall be entitled to twelve (12) votes for each Lot owned.
- Section 3. Members Entitled to Vote. When more than one person holds an interest in any Lot, only one (1) person shall be the voting Member. Such persons holding an interest shall designate the person to be the voting Member and give written notice thereof to the Association. The vote for such Lot may be exercised as the Owners among themselves determine, but in no event shall more than one (1) ballot be cast with respect to any Lot. The vote for each Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint 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 Owner or Owners casts a vote representing a certain Lot, it will thereafter be conclusively presumed

for all purposes that he or they were acting with the authority and consent of all Owners of the same Lot. In the event more than one vote is cast for a particular Lot, said ballots shall not be counted and shall be deemed void.

- Section 4. Cumulative Voting. In any election of the Board of Directors, every Owner entitled to vote at such an election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of Lots owned by the Owner multiplied by the number of votes the Owner is entitled to cast per Lot multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the directors to be elected, shall be deemed elected.
- Section 5. Other Rights. Each member shall have such other rights, duties, and obligations as set forth in the Articles and Bylaws, as same may be amended from time to time.
- **Section 6. Membership Transfers with Lot**. The Association membership of each Owner of a Lot shall be appurtenant to said Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to said Lot shall operate to transfer said membership to the new Owner thereof.

ARTICLE VII COVENANTS FOR ASSESSMENTS

- Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot (other than Declarant) by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges to be established and collected as hereinafter provided. The assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Property and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successor in title unless expressly assumed by them. No Lot shall be sold, transferred or conveyed by any Owner without all assessments having been paid in full, whether or not a lien has been filed or recorded.
- **Section 2.** Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners of the Property and for the improvement and maintenance of any Common Area. Without limited the generality of the foregoing, such purposes may include the payment for the following:
- (a) Public liability insurance insuring the Association against any liability to the public or to any Owner, their invitees or tenants, with such limits of coverage as may be determined by the Board;
- (b) Standard fidelity bonds covering those certain members of the Board, the officers, and those certain employees of the Association who are authorized to sign

checks on behalf of the Association, in such amounts as the Board may determine from time to time;

- (c) Painting, maintenance, repair, and replacement of any Common Area;
- (d) Reimbursement for reasonable expenses incurred by members of the Board and officers in the discharge of their duties;
- (e) Real estate taxes and assessments of any property of the Association; and
- (f) Such other and further items as may be necessary or required by the Association to carry out its intent, duties and purposes as set forth in this Declaration.
- Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to a Public Purchaser, the maximum annual assessment for each Lot owned by a Public Purchaser shall be \$336.00. Declarant shall at all times be exempt from the duty to pay assessments.
- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board each year not more than twenty-five percent (25%) above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to a Public Purchaser, the maximum annual assessment may be increased above twenty-five percent (25%) by a vote of the Owners representing two-thirds (2/3) of the Lots within the Property, at a meeting duly called for this purpose.
- (c) The Board may increase or decrease the annual assessments and shall fix the assessments annually, but not in an amount in excess of the maximum.
- Section 4. Notice Requirement for any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all Members not less than ten (10) days nor more than (60) days in advance of the meeting.
- **Section 5**. **Uniform Rate of Assessment**. Assessments must be fixed at a uniform rate for all Lots of the same class and may be collected on a monthly, quarterly, semi-annual, or annual basis.
- Section 6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence on the first day of the month following the conveyance of said Lot to a Public Purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the Calendar Year as of the date of commencement of the applicable assessment. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall,

- Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Each Owner of any Lot (except Declarant, which is exempt) shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and agrees to the enforcement of the assessments in the manner herein specified. In the event the Association employs an attorney or attorneys for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each Owner and Member agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner or Member. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures:
- (a) Enforcement By Suit. The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner or member to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate of twelve percent (12%) per annum from the date of delinquency, court costs, and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner or Member.
- Enforcement By Lien. There is hereby created a claim of lien, with (b) power of sale, on each and every Lot within the Property to secure payment to the Association of any and all assessments levied against any and all Owners of such Lots covered by the Declaration, together with interest thereon at the rate of twelve percent (12%) per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time after the occurrence of any default in the payment of any such assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting Owner, on behalf of the Association. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, or even without such a written demand being made, the Association may elect to file such a claim of lien on behalf of the Association against the Lot of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:
 - (1) The name of the delinquent Owner;
 - (2) The legal description and street address of the Lot against which claim of lien is made;

- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs and reasonable attorneys' fees (with any proper offset allowed);
- (4) That the claim of lien is made by the Association pursuant to the Declaration; and
- (5) That a lien is claimed against said Lot in the amount equal to the amount stated.

Upon recordation of a duly executed original or copy of such a claim of lien, and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such Assessment was levied. Such a lien shall have priority over all liens or claims created subsequent to the recordation of the claim of lien thereof, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal or other governmental assessing unit, and the liens which are specifically described in Section 8 hereinafter. Any such lien may be foreclosed by appropriate action in Court in the manner provided by law for the foreclosure of a realty mortgage or by the exercise of a power of sale in the manner provided by law under a trust deed, as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event of such foreclosure, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot hereby expressly waives any objection to the enforcement and foreclosure of this lien in this matter.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII ARCHITECTURAL CONTROL

- Section 1. Organization, Power of Appointment and Removal of Members. There shall be an Architectural Committee, organized as follows:
- (a) <u>Committee Composition</u>. The Architectural Committee shall consist of three regular members and in the exercise of the sole discretion of the Board, two alternate members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board or an officer of the Association.
- (b) <u>Alternate Members</u>. If alternate members are appointed by the Board, in the event of the absence or disability of one or two regular members of said Committee,

the remaining regular member or members, even though less than a quorum, may designate either or both of the alternate members to act as substitutes for the absent or disabled regular member or members for the duration of such absence or disability.

(c) <u>Initial Members</u>. The following persons are hereby designated as the initial members of the Architectural Committee:

Office No. 1 - Peter Workum - Regular Member
Office No. 2 - Dana Schneider - Regular Member
Office No. 3 - Lori Luke - Regular Member

- (d) Terms of Office. Unless the initial members of the Architectural Committee have resigned or been removed, their term of office shall be for a period of one year, or until the appointment of their respective successors. Thereafter, the term of each Architectural Committee member appointed shall be for a period of one year and until the appointment of his successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.
- (e) <u>Appointment and Removal</u>. The right to appoint and remove all regular and alternate members of the Architectural Committee at any time, shall be and is hereby vested solely in the Board, provided, however, that no regular or alternate member may be removed from the Architectural Committee by the Board except by the vote or written consent of fifty-one percent of all of the members of the Board. Exercise of the right of appointment and removal, as set forth herein, shall be evidenced by the recordation of a declaration identifying each new regular or alternate member appointed to the Committee and each regular or alternate member replaced or removed therefrom.
- (f) <u>Resignations</u>. Any regular or alternate member of the Architectural Committee may at any time resign from the Committee by giving written notice thereof to the Board.
- (g) <u>Vacancies</u>. Vacancies on the Architectural Committee however caused, shall be filled by the Board. A vacancy or vacancies on the Architectural Committee shall be deemed to exist in case of the death, resignation or removal of any regular or alternate member.
- **Section 2**. **Duties**. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.
- Section 3. Meetings and Compensation. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. Subject to the provisions of Paragraph B of Section 1 above, the vote or written consent of any two regular members, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of this Declaration. The Committee shall keep and maintain a written record of all actions taken by it at such meetings

or otherwise. Members of the Architectural Committee shall not be entitled to compensation for their services.

- Section 4. Architectural Committee Rules. The Architectural Committee may, from time to time and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, rules and regulations, to be known as "Architectural Committee Rules". The Architectural Committee Rules shall interpret and implement the Declaration by setting forth the standards and procedures for Architectural Committee review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use within the Property. Said Rules shall be subject to and shall not conflict with this Declaration.
- **Section 5.** Waiver. The approval of the Architectural Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under the Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing specification or matter subsequently submitted for approval.
- Section 6. Liability. Neither the Architectural Committee nor any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any Property, or (d) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Architectural Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee.
- Section 7. Time for Approval. In the event said Board, or its designated committee fails to approve or disapprove such design and location within 60 days after said plans and specifications submitted to it, approval will not be required and this Article will deemed to have been fully complied with.

ARTICLE IX RIGHTS OF FIRST MORTGAGEES

Notwithstanding any language to the contrary contained in this Declaration, and in addition to the rights granted elsewhere in this Declaration, the rights of all First Mortgagees of Lots in the Project shall be as follows:

Section 1. Rights of First Mortgagee. Nothing contained in this Declaration, the Articles of Incorporation or the Bylaws of the Association shall impair the rights of the First Mortgagee to:

- (a) Foreclose or take title to a Lot (which as used in this Article IX shall mean a Lot together with the improvements thereon) pursuant to the remedies provided in the mortgage, or
- (b) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or
- (c) Sell or lease the Lot acquired by the mortgagee.
- **Section 2. No Liability for Unpaid Assessments**. Any First Mortgagee who obtains a title to a Lot pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Lot's unpaid annual assessments or charges which accrue prior to the acquisition of title to such Lot by the Mortgagee.
- **Section 3.** Limitation on Association. Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each mortgage owned) or Owners (other than Declarant) of the individual Lots in the Properties have given their prior written approval, the Association shall not be entitled to:
 - (a) By act or omission seek to abandon, partition, sub-divide, encumber, sell or transfer any portion of any Common Area, directly or indirectly, by the Association. (The granting of easements for public utilities or for other public purposes consistent with the intended use of any Common Area by the Association or the members thereof shall not be deemed a transfer within the meaning of this subparagraph).
 - (b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot.
 - (c) By act or omission, waive or abandon maintenance of any Common Areas;
 - (d) Fail to maintain fire and extended coverage on any insurable Common Area property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based upon current replacement cost;
 - (e) Use hazard insurance proceeds for loss to any common property for other than the repair, replacement or construction of such common property.
- Section 4. Taxes & Insurance. First Mortgagees of Lots may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against any property constituting any Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

- **Section 5**. **Priorities**. No provision of this Declaration, the Articles of Incorporation, or the Bylaws gives an Owner, or any other party, priority over any rights of the First Mortgagee of a Lot pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of all or any portion of any Common Areas.
- **Section 6.** Reserve Fund. Annual assessments by the Association shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of any Common Area that must be replaced on a periodic basis.
- Section 7. Notice of Default. Any First Mortgagee, upon request, shall be entitled to written notification from the Association of any default in the performance by an Owner of any obligations under this Declaration, the Articles of Incorporation, or the Bylaws which is not cured within sixty (60) days.
- Section 8. Management Agreements. Any agreement for professional management of the Association and any other contract providing for such services, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee upon ninety (90) days or less written notice.
- **Section 9. Definition**. As used in this Article, the term "First Mortgagee" shall mean and refer to the holder of any mortgage or deed of trust with first priority over the holder of any other mortgage or deed of trust.

ARTICLE X GENERAL PROVISION

Unofficial Document

- **Section 1. Enforcement.** The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.
- Section 3. 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. This Declaration may be amended during the first twenty (20) year period and thereafter by an instrument signed by Owners representing fifty-one (51%) percent of the votes entitled to be cast by Members of the Association; provided, however, that during the first twenty (20) years no amendment shall be effective unless it is also executed by Declarant. Any amendment must be recorded in the Maricopa County Recorder's Office.
- Section 4. Violations and Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not relief sought is for negative or affirmative action, by

Declarant, the Association or any Owner or Owners of Lots within the Property. However, any other provision to the contrary notwithstanding, the Declarant, the Association, the Board, or the duly authorized agents of any of them, may enforce by self-help any of the provisions of this Declaration.

- **Section 5. Violation of Law.** 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 the Declaration and subject to any or all of the enforcement procedures set forth in said Declaration.
- **Section 6.** Remedies Cumulative. Each remedy provided by the Declaration is cumulative and not exclusive.
- Section 7. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Association, at 1530 West 10th Place, Tempe, Arizona 85281; if to an Owner, to the address of any Lot within the Property owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association; and if to Declarant at 1530 West 10th Place, Tempe, Arizona 85281; provided, however, that any such address may be changed at any time by the party concerned by recording a written notice of change of address and delivering a copy thereof to the Association. Each Owner of a Lot shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.
- Section 8. Captions. All captions or titles used in this Declaration are included solely for convenience of reference and shall not affect the meaning or interpretation of that which is set forth in any of the terms or provisions of this Declaration.
- Section 9. The Declaration. By acceptance of a deed or by the acquiring any ownership interest in any of the real property included within 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 regulation now or hereafter imposed by this Declaration and any amendments hereto. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, and the Owner of the Property, has hereunto set its hand and seal this, day of, 2001.	
NO SEAL	The Creative Classics Company, an Arizona corporation
	DANA SCHNEIDER
STATE OF ARIZONA	
COUNTY OF MARICOPA)	
undersigned officer, personally appe the <u>Vict President</u> of The Creative	day of June, 2001, before me, the eared Dana Schneider, who acknowledged herself to be Classics Company, an Arizona corporation, and that she the foregoing instrument on behalf of the corporation for
IN WITNESS WHEREO	DF , I hereunto set my hand and official seal.
Unofficial Document	
Norcmber 5, 2003 My Commission expires:	<u> Viclue la Huglus</u> Notary Public
	OFFICIAL SEAL MICHELE A. HUGHES Notary Public - State of Arizona MARICOPA COUNTY My Comm. Expires Nov. 5, 2003

EXHIBIT "A"

That portion of the South half of the Southwest quarter of Section 15, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the Southwest corner of the Southwest quarter of said Section 15;

thence North 00 degrees 00 minutes 08 seconds East along the West line of the Southwest quarter of said Section 15, a distance of 1322.15 feet to the Northwest corner of the South half of the Southwest quarter of said Section 15;

thence South 88 degrees 16 minutes 24 seconds East along the North line of the South half of the Southwest quarter of said Section 15, a distance of 1158.02 feet;

thence South a distance of 1320.73 feet to the South line of the Southwest quarter of said Section 15;

thence North 88 degrees 20 minutes 37 seconds West along the South line of the Southwest quarter of said Section 15, a distance of 1158.03 feet to the Southwest corner of said Section 15 and the POINT OF BEGINNING.