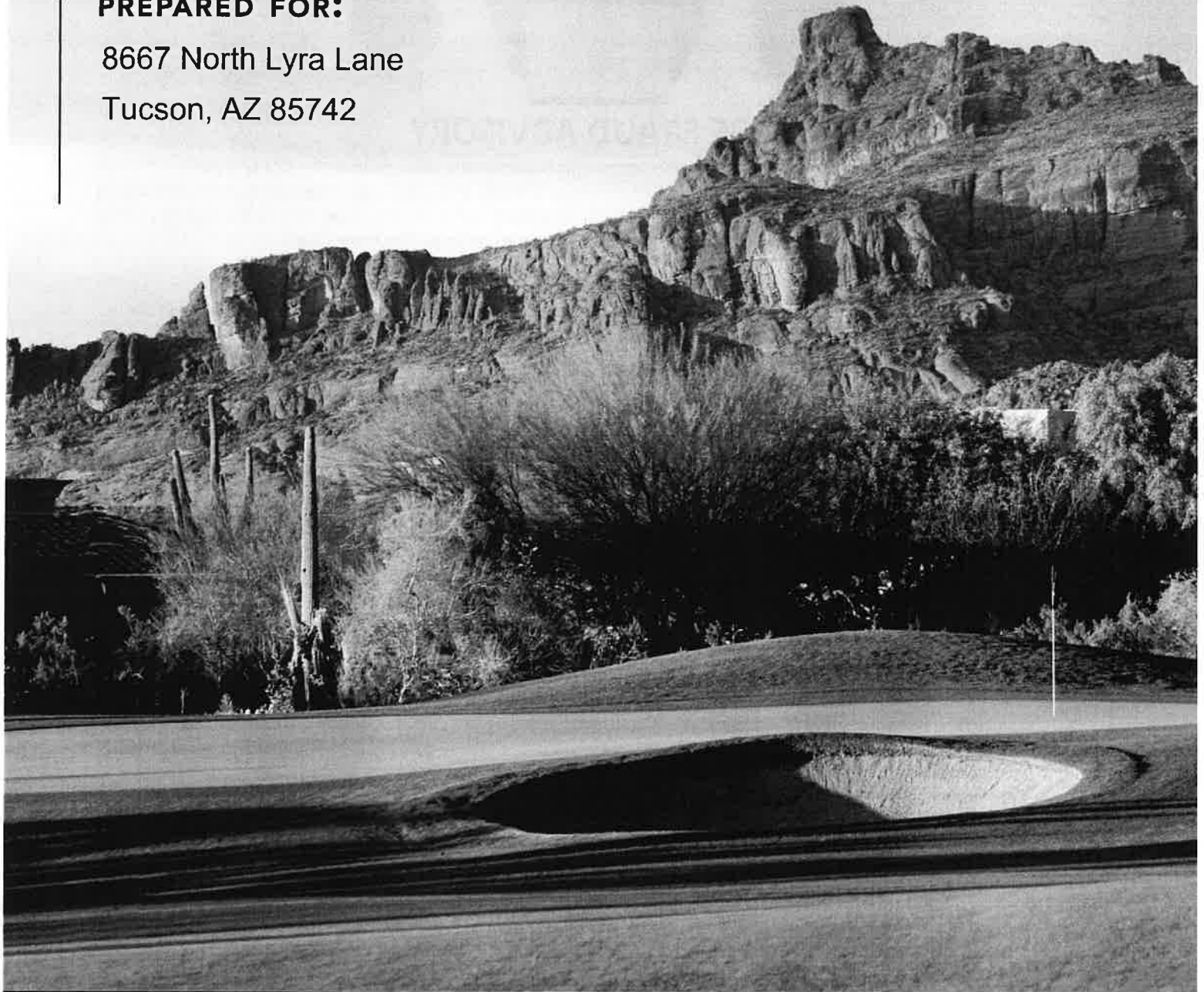


COVENANTS, CONDITIONS & RESTRICTIONS

PREPARED FOR:

8667 North Lyra Lane
Tucson, AZ 85742



Title Security Agency
A First American Company

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WIRE FRAUD ADVISORY

Criminals are targeting social media and email to steal information. This is particularly common in real estate transactions because sensitive data, including social security numbers, bank account numbers, and wire instructions are often sent by electronic means. We do not want you to be the next victim of wire fraud. Money wired to a fraudulent account is stolen money that typically cannot be recovered. Additionally, there is generally no insurance for this loss. You may never get the money back.

PROTECT YOURSELF

DO NOT TRUST ANY EMAIL(S) CONTAINING WIRE INSTRUCTIONS

- If you receive an email containing wire transfer instructions, immediately call your escrow officer to ensure the validity of the instructions.

DO NOT TRUST EMAILS SEEKING PERSONAL/FINANCIAL INFORMATION

- If you receive an email requesting personal/financial information or asking you to download, click on a link, send, and/or do anything that may seem unusual to you, call your escrow officer immediately prior to acting on the suspicious email to verify the validity of the email.

TRUST YOUR SOURCE OF INFORMATION

- Never direct, accept or allow anyone in the transaction to consent to receiving transfer instructions without a direct personal telephone call to the individual allegedly providing the instructions.
- It is imperative that this call be made to a number obtained in person from the individual or through other reliable means, not from a number provided in the email or the wiring instructions.

ONLINE RESOURCES:

There are many online sources that can provide useful information regarding similar topics including, but not limited to, the following sites:

The Federal Bureau of Investigation @ www.fbi.gov/scams-and-safety

The Internet Crime Complaint Center @ www.ic3.gov

On Guard Online @ www.onguardonline.gov

Consumer Financial Protection Bureau (CFPB) @ www.consumerfinance.gov/about-us/blog/mortgage-closing-scams-how-protect-yourself-and-your-closing-funds/

VERIFY AND NOTIFY

Before you wire funds to any party (including your lawyer, title agent, mortgage broker, or real estate agent) personally meet them or call a verified telephone number (not the telephone number in the email) to confirm before you act!

Immediately notify your banking institution and Settlement/Title Company if you are a victim of wire fraud.

The undersigned acknowledges receipt of this Wire Fraud Advisory.

Name

Name

Signature

Date

Signature

Date



*First American
Title Insurance Company*

LIMITATION OF LIABILITY FOR INFORMATIONAL REPORTS

IMPORTANT -- PLEASE READ CAREFULLY:

This report is not an insured product or service or a representation of the condition of title to real property. It is not an abstract, legal opinion, opinion of title, title insurance commitment or preliminary report, or any form of Title Insurance or Guaranty. This report is issued exclusively for the benefit of the Applicant therefor and may not be used or relied upon by any other person. This report may not be reproduced in any manner without First American or Title Security's prior written consent. First American or Title Security does not represent or warrant that the information herein is complete or free from error, and the information herein is provided without any warranties of any kind, as-is, and with all faults. As a material part of the consideration given in exchange for the issuance of this report, recipient agrees that First American or Title Security's sole liability for any loss or damage caused by an error or omission due to inaccurate information or negligence in preparing this report shall be limited to the fee charged for the report. Recipient accepts this report with this limitation and agrees that First American or Title Security would not have issued this report but for the limitation of liability described above. First American or Title Security makes no representation or warranty as to the legality or propriety of recipient's use of the information herein.

DEDICATION

WE, THE UNDERSIGNED, HEREBY WARRANT THAT WE ARE ALL AND THE ONLY PARTIES HAVING ANY RECORD TITLE INTEREST IN THE LAND SHOWN ON THIS PLAT AND WE HEREBY CONSENT TO THE SUBDIVISION OF SAID LAND IN THE MANNER SHOWN HEREON.

WE, THE UNDERSIGNED, OUR SUCCESSORS AND ASSIGNS, DO HEREBY SAVE PIMA COUNTY, ITS SUCCESSORS AND ASSIGNS, ITS EMPLOYEES, OFFICERS AND AGENTS HARMLESS FROM ANY AND ALL CLAIMS FOR DAMAGES RELATED TO THE USE OF SAID LAND NOW AND IN THE FUTURE BY REASON OF FLOODING, FLOODAGE, EROSION OR DAMAGE CAUSED BY WATER, WHETHER SURFACE FLOOD OR RAINFALL.

WE, THE UNDERSIGNED, HEREBY GRANT TO PIMA COUNTY AND TO ALL UTILITY COMPANIES ALL SOWER AND UTILITY EASEMENTS AND ALL COMMON AREA TO BE SHOWN HEREON FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF SOWERS AND UTILITIES. ALL UTILITIES WILL BE UNDERGROUND. CONSTRUCTION SHALL BE IN ACCORDANCE WITH COMMISSION APPROVED GENERAL ORDER 1480 OR AS IT MAY BE FURTHER AMENDED.

THE COMMON AREAS "A" 1" B" AS SHOWN HEREON ARE RESERVED FOR THE PRIVATE USE AND CONVEYANCE OF ALL OWNERS OF LOTS 6 THRU 27 WITHIN THIS SUBDIVISION, THEIR GUESTS AND INVITEES. TITLE TO THE LAND OF COMMON AREAS "A" 1" B" SHALL BE VESTED IN AN ASSOCIATION OF INDIVIDUAL LOT OWNERS AS ESTABLISHED BY COVENANTS, CONDITIONS, AND RESTRICTIONS RECORDED IN DECKET BOOK 2285, AT PAGES 518-521, IN THE OFFICE OF THE PIMA COUNTY RECORDER. EACH AND EVERY OWNER OF LOTS 6 THRU 27 WITHIN THIS SUBDIVISION SHALL BE A MEMBER OF THE ASSOCIATION. THE ASSOCIATION WILL ACCEPT ALL RESPONSIBILITY FOR THE CONTROL, MAINTENANCE, SAFETY AND LIABILITY OF THE COMMON AREAS "A" 1" B.

LAWEYS TITLE OF ARIZONA, AN ARIZONA CORPORATION, AS TRUSTEE UNDER TRUST NO 7427-T, AND NOT OTHERWISE, WHEREIN THE BENEFICIARIES ARE: RONALD D CONN, LOUIS A CONN, CONSTANCE CONN, SARAH AND BESS SHORE.

JOYCE M RODRIGUEZ, ASSISTANT TRUST OFFICER
STATE OF ARIZONA } S.S.
COUNTY OF PIMA

ON THIS THE 1 DAY OF 19, BEFORE ME, JUDITH A. BUREN, A NOTARY PUBLIC, THE UNDERSIGNED OFFICER, PERSONALLY APPEARED JOYCE M RODRIGUEZ, WHO ACKNOWLEDGED HERSELF TO BE ASSISTANT TRUST OFFICER OF LAWEYS TITLE OF ARIZONA, AN ARIZONA CORPORATION, AND SHE DECLARED THAT SHE WAS SIGNING AS SUCH AND WAS AUTHORIZED TO DO SO BY THE BOARD OF THE CORPORATION BY HERSELF AS ASSISTANT TRUST OFFICER.

IN WITNESS WHEREOF I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC _____ MY COMMISSION EXPIRES _____

CERTIFICATION OF SURVEY

I HEREBY CERTIFY THAT THIS PLAT REPRESENTS A SURVEY COMPLETED UNDER MY DIRECTION AND THAT ALL EXISTING AND PROPOSED SURVEY MONUMENTS SHOWN ARE CORRECTLY LOCATED AND IDENTIFIED.

I FURTHER CERTIFY THAT THIS PLAT WAS PREPARED UNDER MY DIRECTION.

CERTIFICATION OF WATER ADEQUACY

A CERTIFICATE OF ASSURED WATER SUPPLY HAS BEEN RECEIVED FROM DIRECTOR OF WATER RESOURCES.

RECORDING DATA

STATE OF ARIZONA } S.S.
COUNTY OF PIMA

THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF BUCK LEWIS ENGINEERING, INC. ON THIS THE 25 DAY OF APRIL, 2024, AT 10:41 AM IN BOOK 37 OF MAPS AND PLATS AT PAGE 37.

ASSURANCES

SATISFACTORY ASSURANCES IN THE FORM OF A TRUST AGREEMENT, TRUST NO 7427-T FROM LAWEYS TITLE OF ARIZONA, RECORDED IN DECKET 2285 AT PAGES 518-521 HAVE BEEN PROVIDED TO GUARANTEE STREET, UTILITY, AND SANITATION IMPROVEMENTS IN THIS SUBDIVISION.

APPROVALS

CHAIRMAN, PIMA COUNTY BOARD OF SUPERVISORS
PIMA COUNTY PLANNING DEPARTMENT
PIMA COUNTY DEPARTMENT OF TRANSPORTATION AND FLOOD CONTROL DISTRICT
PIMA COUNTY DEPARTMENT OF WASTEWATER MANAGEMENT, DIRECTOR

DATE 4-4-24
DATE 4-3-24
DATE 4-4-24

I, EUGENIA M. WELLS, CLERK OF THE BOARD OF SUPERVISORS, HEREBY CERTIFY THAT THIS PLAT HAS APPROVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA ON THIS THE DAY OF 19, 2024.

CLERK, BOARD OF SUPERVISORS

STAR TRAILS ESTATES

LOTS 1 THRU 257 & COMMON AREA "A" 1" B" II

RECORD 2 REVISIONS OF STAR TRAILS ESTATES, PIMA COUNTY, ARIZONA, SECTION 28, T. 18 N., R. 11 E., P. 18E, PIMA COUNTY, AZ.

BUCK LEWIS ENGINEERING INC.

LOCATION MAP

SECTION 28, T. 18 N., R. 11 E., P. 18E, PIMA COUNTY, AZ.

CURVE DATA

STATION	PC	PT	CA
1. 1500	90°00'00"	99.27	21.00
2. 6000	90°00'00"	94.25	60.00
3. 500	90°00'00"	74.0	5.00
4. 500	44°30'30"	54.7	3.6
5. 9000	24°30'30"	174.9	45.81
6. 9000	89°30'30"	48.53	21.79
7. 7900	90°00'00"	61.26	34.00
8. 1100	90°00'00"	124.56	11.00
9. 7000	90°00'00"	109.94	20.00
10. 8000	89°48'30"	39.74	24.98
11. 6500	90°00'00"	39.40	22.13

LEGEND

① CURVE DATA NUMBER
* SQUARE FEET
▲ SURVEY MONUMENT
• SET 1/4" IRON PIN PLACED ACROSS 2026
100 YEAR (100MM) FLOOD PROBE LIMITS
AREA TO BE REMOVED FROM EXIST.
100 YEAR FLOOD PROBE LIMITS
WATER SURFACE ELEVATIONS
AND DIRECTION OF FLOW
▲+▲+ ELECTRIC TRANSMISSION EASEMENT
▲+▲+ ELECTRIC TRANSMISSION EASEMENT

CANYON CREST VILLAS HOMEOWNERS' ASSOCIATION, INC.

05109346

Domestic Nonprofit Corporation

Active

5/8/1984

In Good Standing

5/9/1984

5/8/1984

Perpetual

HOMEOWNERS ASSOCIATION

2018

AZ

4/8/2019

Statutory Agent Information

BONNIE O'CONNOR

Active

PO BOX 85160 , TUCSON, AZ 85754, USA

5/17/2011

PO BOX 85160 , TUCSON, AZ 85754, USA

Entity Name:

Entity ID:

Entity Type:

Entity Status:

Formation Date:

Reason for Status:

Approval Date:

Status Date:

Original Incorporation Date:

Life Period:

Business Type:

Last Annual Report Filed:

Domicile State:

Annual Report Due Date:

Years Due:

Original Publish Date:

Name:

Appointed Status:

Attention:

Address:

Agent Last Updated:

E-mail:

Attention:

Mailing Address:

County:

Principal Information

Title	Name	Attention	Address
Director	JOE MAESTAS		PO BOX 85160, TUCSON, AZ, 85754, USA

Title	Name	Attention	Address
President	CLINT ELKINS		PO BOX 85160, TUCSON, AZ, 85754, USA
Treasurer	JOHN STEELE		PO BOX 85160, TUCSON, AZ, 85754, USA
Vice-President	CAROL GAUDETTE		PO BOX 85160, TUCSON, AZ, 85754, USA

Entity Known Place of Business

Attention:

Address: 2015 N FORBES BLVD SUITE 107, TUCSON, AZ, 85745, USA

County: Pima

Last Updated: 4/4/2018

STATE OF ARIZONA
COUNTY OF PIMA
Witness my hand and Official Seal.

Indexed	Filed	Blotted

FORM 4-13

I hereby certify that the within
instrument was filed for record
in Pima County, State of Arizona



No. 54809
Book 7281 Page 684-728
Date MAY 11 '84 8:00 AM
Request of
LAWYERS TITLE OF ARIZONA
Fee: 45.00

DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
OF

CANYON CREST VILLAS HOMEOWNERS' ASSOCIATION, INC.

(Recorded as STAR TRAILS ESTATES II)

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DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
CANYON CREST VILLAS HOMEOWNERS' ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

THIS DECLARATION MADE on the day hereafter set forth by
PULTE HOME CORPORATION, a Delaware corporation, hereinafter re-
ferred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real pro-
perty in the County of Pima, State of Arizona, which is described
on Exhibit A attached hereto and incorporated herein by this
reference; and

WHEREAS, Declarant desires to subject and place upon the
above-described property certain covenants, conditions, restric-
tions, easements, reservations, rights-of-way, obligations, lia-
bilities and other charges set forth herein for the purpose of
protecting the value and desirability of said property and for
the purpose of furthering a plan for the improvement, sale and
ownership of said property, to the end that a harmonious and at-
tractive development of said property may be accomplished and
the health, comfort, safety, convenience and general welfare of
the Declarant, its successors and assigns in said property, or
any portion thereof, promoted and safeguarded.

NOW, THEREFORE, Declarant hereby declares that all of the
properties described above shall be held, sold, and conveyed sub-
ject to the following covenants, conditions, restrictions easements,
rights-of-way, obligations, liabilities, charges and other pro-
visions set forth herein, which are for the purpose of protecting
the value and desirability of, and which shall run with, the
above-described property and be binding on all parties having any
right, title, or interest in the above-described property or any
part thereof, their heirs, personal representatives, successors,
and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. Agencies. "Agencies" shall mean and collec-
tively refer to, the Federal National Mortgage Association (FNMA),
the Government National Mortgage Association (GNMA), the Federal

7281 688

Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), the Federal Housing Administration (FHA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may perform in the future) functions similar to those currently performed by such entities.

Section 2. "Architectural Control Committee" shall mean and refer to the committee appointed by the Declarant or by the Board of Directors of the Association, as more fully provided in Article V hereof.

Section 3. "Association" shall mean and refer to Canyon Crest Villas Homeowners' Association, Inc., an Arizona non-profit corporation, its successors and assigns. The Association shall act by and through its Board of Directors and officers.

Section 4. "Common Area" shall mean all property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described on Exhibit B attached hereto and incorporated herein by this reference.

Section 5. "Declarant" shall mean and refer to Pulte Home Corporation, a Delaware corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development; provided, however, that for the purposes of Article V, Section 1, and Article XII, Sections 4, 6, 8(b) and 8(c) of this Declaration, no person or entity shall be considered a Declarant under the aforesaid provisions, unless said person or entity shall first be designated by Pulte Home Corporation as a Declarant for said purposes by a written instrument duly recorded in the real property records of the County of Pima, State of Arizona.

Section 6. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, as the same may be amended from time to time.

Section 7. "First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust, contract for sale of realty or other security instrument encumbering a Lot recorded in the records of the office of the Clerk and Recorder of the County of Pima, State of Arizona, having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments). "First Mortgage", for purposes of Article IV, Section

3 hereof, shall also mean and refer to any executory land sales contract wherein the Administrator of the Federal Housing Administration or Veterans Administration, an Officer of the United States of America is the seller, whether such contract is recorded or not, and whether such contract is owned by the said Administrator or has been assigned by the said Administrator and is owned by the Administrator's assignee, or a remote assignee, and the land records in the Office of the Clerk and Recorder of the County of Pima, State of Arizona show the said Administrator as having the record title to the Lot.

Section 8. "First Mortgage" shall mean and refer to any person named as a mortgagee or beneficiary under any First Mortgage (including, for purposes of Article IV, Section 11 and, with respect to notice of cancellation or substantial modification of certain insurance policies, to Article VI, Section 3 hereof, the Administrator of the Federal Housing Administration and the Veterans Administration, an Officer of the United States of America, and his assigns under any executory land sales contract wherein the said Administrator is identified as the seller, whether such contract is recorded or not and the land records of the Clerk and Recorder of the County of Pima, State of Arizona show the said Administrator as having the record title to the Lot), or any successor to the interest of any such person under such First Mortgage.

Section 9. "Lot" shall mean and refer to any separately numbered lot or plot of land shown upon any recorded subdivision map of the Properties or any portion thereof, as the same may be amended from time to time, with the exception of the Common Area and any public streets or rights-of-way, but together with all appurtenances and improvements now or hereafter thereon.

Section 10. "Member" shall mean and refer to each Owner of a Lot that is subject to assessment hereunder; membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Properties" shall mean and refer to that certain real property described on Exhibit A hereto and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS IN THE COMMON AREA

Section 1. Owners' Easements of Enjoyment. Subject to the provisions of Sections 2 and 3 of this Article, every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Extent of Owners' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and, with written consent of the Members entitled to vote two-thirds (2/3) of the votes of each class of membership, to mortgage said property as security for any such loan.

(b) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure.

(c) The right of the Association to promulgate and publish rules and regulations which each Member shall strictly comply with, including, but not limited to, the right of the Association to establish reasonable charges and/or admission fees for the use of any recreational facilities located on the Common Area.

(d) The right of the Association, as provided in its Articles and Bylaws, to suspend the voting rights and the right to the use of the recreational facilities, if any, within the Common Area, of a Member for any period during which any assessment against his Lot remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of its published rules and regulations.

(e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer shall be effective unless first approved in writing by the Members entitled to vote two-thirds (2/3) of the votes of each class of membership hereunder, and unless written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken. Notwithstanding the foregoing, the granting of permits,

licenses and easements for public utilities, roads and/or for other purposes reasonably necessary or useful for the proper maintenance or operation of the Properties shall not be deemed a transfer within the meaning of this Subsection (e).

(f) The right of the Association, through its Board of Directors, to enter into, make, perform or enforce: contracts, leases, agreements, licenses, easements and/or rights-of-way, for the use by Owners, other persons, their family members, guests and invitees, of real property, and any facilities or improvements thereto and thereon, for pedestrian and vehicular access, ingress and egress to and from the Properties, or any portion thereof, for vehicular parking, or for recreational use and enjoyment; and/or contracts, leases, licenses or other agreements for cable or satellite television service to the Properties, or any portion thereof. Any of such contracts, leases, licenses, agreements, easements and/or rights-of-way, as provided for in this subsection (f), shall be upon such terms and conditions as may be agreed to from time to time by the Board of Directors of the Association, which may include provisions by which the Association covenants and agrees that it shall pay part or all of the costs and expenses of maintaining and repairing such real property, and the facilities and improvements thereto and thereon, providing such cable or satellite television service, or other amounts which the Board determines are reasonably necessary to secure any such contracts, leases, licenses agreements, easements and/or rights-of-way and any such costs shall be treated by the Association as common expenses pursuant to Article IV hereof.

(g) The right of the Association, in accordance with Section 3 of this Article II, to assign to the Owner(s) of each Lot the exclusive right to use certain parking spaces upon the Common Area and the right from time to time to reassign such parking spaces; provided, however, that the Owner(s) of each Lot shall be entitled to the exclusive use of at least two (2) of such spaces.

(h) The right of the Association to close or limit the use of the Common Area while maintaining, repairing and making replacements in the Common Area.

Section 3. There will be parking areas for guest parking and these areas shall not be used for the purpose of storing vehicles nor shall an owner of any Lot use the guest parking area for the parking of any Owner's vehicle for an extended period of time; that is, for a time in excess of twenty-four (24) hours.

Section 4. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on his Lot.

Section 5. Payment of Taxes or Insurance by Mortgagees. First Mortgagees shall have the right, jointly or singly, to pay taxes or other charges or assessments which are in default and which may or have become a lien against the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Area, or the Lot which secures said First Mortgage if the policy therefor is held by the Association, and any First Mortgagees making any such payment shall be owed immediate reimbursement therefor from the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment hereunder shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Classes of Membership. The Association shall have two classes of voting membership.

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

Class B. The Class B Member(s) shall be Declarant and shall be entitled to three (3) votes for each Lot owned which is neither leased, rented, nor otherwise occupied as a residence. Leasing, renting, or allowing entry for residential occupancy shall terminate the Declarant's weighted voting advantage in relation to any Lot so leased, rented, or occupied as a residence, and will limit Declarant in relation to any such Lots to the same voting rights as a Class A Member.

Section 3. Termination of Class B Membership. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earliest:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided, however, that if within one hundred twenty (120) days of the occurrence of this event, additional real property shall be annexed to this Declaration pursuant to Article XII, Section 6 hereof, such that after such annexation there are again more votes outstanding in the Class B membership than in the Class A membership, then the Class B membership shall be deemed not to cease and not to have been converted to Class A membership;

(b) July 1, 1989;

(c) on a date certain set forth in written notice by the Declarant to the Secretary of the Association of its intent to terminate its Class B voting rights as of such date; provided, however, that in the event there is more than one Declarant, such notice must be signed by all such Declarants.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, including Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments and (3) reconstruction assessments, such assessments to be established and collected as hereinafter provided. The annual, special and reconstruction assessments, together with interest, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. The lien may be enforced by foreclosure of the defaulting Owner's Lot by the Association in like manner as a mortgage on real property. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. The Board of Directors or managing agent of the Association may prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot and a description of the Lot. Such a notice shall be signed by one of the Board of Directors or by the managing agent of the Association and may be recorded in the office of the Clerk and Recorder of the County of Pima, State of Arizona. The lien for each unpaid assessment attaches to each Lot at the beginning of each assessment period and shall continue to be a lien against such Lot until paid. The costs and expenses for filing any notice of lien shall be added to the assessment for the Lot against which it is filed and collected as part and parcel thereof. Each assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was

the Owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them. The Association's lien on a Lot for assessment shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Arizona or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said assessment lien.

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 residents of the Properties, and for all of those purposes and activities which may be required of the Association or which the Association may be empowered to pursue pursuant to this Declaration, the Articles of Incorporation or Bylaws of the Association, including without limitation the repair, replacement, maintenance and insurance of the Common Area and improvements thereto and thereon.

Section 3. Maximum Annual Assessment.

(a) Until commencement of the second annual assessment period, the maximum annual assessment shall be Six Hundred and Sixty Dollars (\$660.00) per year, per Lot.

(b) Effective with commencement of the second and each subsequent annual assessment period, the maximum annual assessment against each Lot shall be increased effective each annual assessment year in conformance with the rise, if any, of the Consumer Price Index published by the U.S. Department of Labor, Washington, D.C., for All Items and Major Group Figures for All Urban Consumers (1967 = 100), for the one (1) year period ending with the preceding month of November; this annual increase in the maximum annual assessment shall occur automatically upon the commencement of each annual assessment year without the necessity of any action being taken with respect thereto by the Association. In the event the aforesaid Consumer Price Index is not published, for whatever reason, then the increase in the maximum annual assessment, as provided herein, shall be calculated by using a substantially comparable index designated by the Board of Directors of the Association.

(c) Effective with commencement of the second and each subsequent annual assessment period, the maximum annual assessment may be increased above that established by the Consumer Price Index formula by a vote of the Members for the next succeeding annual assessment year and at the end of each such annual assessment period, for each succeeding annual assessment year, provided that any such increase shall have the assent 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, written notice of which shall be sent to all Members not less than 30 days nor more than 60 days in advance of such meeting setting forth the purpose therefor.

(d) Subject to the terms and provisions of Section 7 of this Article IV relating to the obligation of the Declarant to pay to the Association amounts sufficient to meet certain shortfalls in assessments, the Board of Directors of the Association may, at any time and from time to time, after consideration of the projected maintenance costs and other financial needs of the Association, fix the actual assessment against each Lot in an amount less than the maximum and provided, however, that written notice of any change in the amount of the actual assessment (whether to an amount less than or equal to the maximum) shall be sent to every Owner at least thirty (30) days in advance of the effective date of such change.

(e) The limitations contained in this Section 3 shall not apply to any change in the maximum, actual and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(f) The Association shall maintain an adequate reserve fund out of the annual assessments for the maintenance, repair and replacement of those elements of the Common Area that must be maintained, repaired or replaced on a periodic basis.

Section 4. Special Assessments. In addition to the annual and reconstruction assessments authorized in this Article IV, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for the funding of any operating deficit incurred by the Association. Any special assessment relating to any such capital improvement shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, and shall be set equally against each Lot, subject to the rate of assessment on Lots owned by Declarant as more fully provided in Section 7 of this Article IV.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this Article shall be sent to all Members not less than 30 days or more than 60 days in advance of the meeting. At the first such

meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Reconstruction Assessments. In addition to the annual and special assessments authorized in this Article IV, the Association may levy, in any assessment year during which insurance proceeds are insufficient to repair or reconstruct any damaged or destroyed structures located on Lots or improvements on the Common Area, which are covered by a policy of property insurance carried by the Association, reconstruction assessments for the purpose of repair or reconstruction of such damaged or destroyed structures. All such reconstruction assessments shall be equal to the amount by which the cost of repair or reconstruction of such structure(s) or improvements exceeds the sum of the insurance proceeds awarded for the damage or destruction thereof and shall be set equally against each Lot. Such reconstruction assessments shall be due and payable as provided by resolution of the Board of Directors, but not sooner than thirty (30) days after written notice hereof; provided, however, that, in appropriate circumstances, the Association may proceed directly against any Owner pursuant to Article IX, Section 4 hereof for any such amount.

Section 7. Rate of Assessment. Annual, special and reconstruction assessments shall be fixed at a uniform rate for all Lots sufficient to meet the expected needs of the Association. Notwithstanding anything to the contrary contained in this Declaration, however, the rate of annual and special assessments set for the Lots owned by Declarant which are neither leased, rented, nor otherwise occupied as a residence, shall be fixed at one-quarter (1/4) of the assessment rate for the other Lots; provided, however, that at the time any Lot owned by Declarant is leased, rented, or occupied as a residence, that Lot shall be assessed at the uniform rate of assessment for privately owned Lots. In the event that, prior to the termination of the Class B membership, assessments for annual common expenses, exclusive of those amounts held by the Association for an adequate reserve fund and for the working capital fund, fail to equal or exceed the actual expenses incurred by the Association during any particular annual assessment period because of such partial Declarant assessment, then Declarant shall pay a sufficient amount, up to the amount of full parity on such assessments, to the Association to meet any such shortfall so long as: (a) written notice must be given by the Association to the Declarant within sixty (60) days following the termination of the then-current fiscal year of the Association at the time of the termination of the Class B membership, but in no event more than

one (1) year following the termination of such Class B membership, and (b) Declarant shall have no obligation for any such shortfall caused by expenditures for capital improvements or by any decrease in assessments, including without limitation the levying of any assessment in an amount less than the maximum for any annual assessment period, unless the same has previously been approved in writing by Declarant. In the event there is more than one "Declarant," as defined in this Declaration, then, subject to the conditions hereinabove stated, each such Declarant shall pay a prorata share of the aforesaid shortfall, such prorata share to be based on the total amount of assessments due from each Declarant at such reduced rate compared to the total amount of assessments due from all Declarants at such reduced rate, during the applicable annual assessment period.

Section 8. Date of Commencement of Annual Assessments.

The initial annual assessment shall commence on the first day of the month following conveyance of the Common Area by Declarant to the Association, and the second and each subsequent annual assessment period shall correspond with the fiscal year of the Association. The annual assessments shall be made due and payable in twelve equal, consecutive, monthly installments per annum on such dates as determined by the Board, provided that the first annual assessment shall be adjusted according to the number of months in the first annual assessment year. Any Owner purchasing a Lot between installment due dates shall pay a pro rata share of the last installment due.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date thereof shall bear interest from the due date at the rate of eighteen percent (18%) per annum, or at such lesser rate as may be set from time to time by the Association, and the Association may assess a monthly late charge thereon. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and in the event a judgment is obtained, such judgment shall include interest on the assessment and a reasonable attorney's fee to be fixed by the court, together with the costs of the action, and may include late charges, as above provided. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Working Capital Fund. The Association or Declarant shall require the first Owner of any Lot who purchases that Lot from Declarant to make a non-refundable payment to the Association in an amount equal to the greater of One Hundred Fifty Dollars (\$150.00) or two times the monthly installment of the maximum annual assessment (one-sixth of the maximum annual assessment) against that Lot in effect at the time of conveyance of the Lot, which sum shall be held by the Association as a working capital fund. The Association shall have no obligation to pay

interest on said funds to any Owner. Said working capital fund shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Lot, as aforesaid, and all such payments shall be maintained in a segregated account for the use and benefit of the Association as it deems desirable, including but not limited to the use to insure that the Board of Directors of the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board. Such payment to the working capital fund shall not relieve an Owner from making the regular payment of assessments as the same become due. Upon the transfer of his Lot, an Owner shall be entitled to a credit from his transferee for the aforesaid payment to the working capital fund.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein, including without limitation any fees, costs, late charges or interest which may be levied by the Association in connection with unpaid assessments, shall be subordinate to the lien of any First Mortgage. Sale or transfer of any Lot shall not affect the liens for said assessment charges except that sale or transfer of any Lot pursuant to foreclosure of any such First Mortgage, or any proceeding in lieu thereof, shall extinguish the lien of such assessment charges which became due prior to any such sale or transfer, or foreclosure or any proceeding in lieu thereof, provided, however, that any such delinquent assessment charges, including interest, late charges, costs and reasonable attorney's fees, which are extinguished as provided herein, may be reallocated and assessed to all Lots as a common expense. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, shall relieve such Lot from liability for any assessment charges thereafter becoming due, nor from the lien thereof; provided, however, that in the event of foreclosure of a First Mortgage or the taking of a deed in lieu thereof, such First Mortgagee shall not be liable for unpaid assessments or other charges which accrue prior to the acquisition of title to the Lot in question by such First Mortgagee.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Composition of Committee. The Architectural Control Committee shall consist of three (3) or more persons appointed by the Board of Directors of the Association; provided; however, that until all Lots have been conveyed to the first Owner thereof (other than Declarant), Declarant shall appoint the Architectural Control Committee. A majority of the Committee may designate a representative to act for it.

Section 2. Review by Committee. No structure or any attachment to an existing structure, whether a residence, any building,

a tennis court, a swimming pool, fences, walls, canopies, awnings, roofs, exterior lighting facilities, athletic facility, or other similar improvements or attachments, shall be constructed, erected, placed or installed upon the Properties, no alteration of the exterior of a residence or other structure shall be made, and no change in the final grade, nor the installation of or any change in any landscaping, shall be performed, unless complete plans and specifications therefor (said plans and specifications to show exterior design, height, materials, color, location of the structure or addition to the structure, plotted horizontally and vertically, location and size of driveways, general plan of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the Committee) shall have been first submitted to and approved in writing by the Architectural Control Committee. The Architectural Control Committee shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to residences, other structures, and property, within the Properties, conform to and harmonize with the existing surroundings, residences, landscaping and structures. In its review of such plans, specifications and other materials and information, the Architectural Control Committee may require that the applicant(s) reimburse the Committee for the actual expenses incurred by the Committee in the review and approval process. Such amounts, if any, shall be levied as part of the common expense assessment against the Lot for which the request for Architectural Control Committee approval was made and, as such, shall be subject to the Association's lien for assessments and subject to all other rights of the Association for the collection thereof, as more fully provided in this Declaration

Section 3. Procedures. The Architectural Control Committee shall approve or disapprove all requests for architectural control approval within forty-five (45) days after the complete submission of all plans, specifications, and other materials and information which the Committee may require in conjunction therewith. In the event that the Architectural Control Committee fails to approve or disapprove any request within forty-five (45) days after the complete submission of all plans, specifications, materials and other information with respect thereto, approval shall not be required and this Article shall be deemed to have been fully complied with.

Section 4. Vote and Appeal. A majority vote of the Architectural Control Committee is required to approve a request for architectural approval pursuant to this Article, unless the Committee has designated a representative to act for it, in which case the decision of such representative shall control. In the event a representative acting on behalf of the Architectural Control Committee denies a request for architectural approval, the applicant(s) thereof shall have the right to an appeal of such denial.

to the full committee, upon a request therefor submitted to the Committee within thirty (30) days after such applicant(s) receive notice of the denial of their architectural application from said representative. In the event an application for architectural approval is denied by the Architectural Control Committee, whether pursuant to an original request for approval or an appeal from a decision of a representative of the Committee, the applicant(s) therefor shall have the right of appeal to the Board of Directors of the Association within thirty (30) days after the applicant(s) for such architectural approval receive notice of the Committee's denial of their application.

Section 5. Records. The Architectural Control Committee shall maintain written records of all applications submitted to it and all actions taken by it thereon, and such records shall be available to Members for inspection at reasonable hours of the business day.

Section 6. Liability. The Architectural Control Committee and the members thereof, as well as any representative of the Committee designated to act on its behalf, shall not be liable for damages to any person submitting requests for approval or to any Owner, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove in regard to any matter within its jurisdiction hereunder.

Section 7. Variance. The Architectural Control Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or Article X hereof, in order to overcome practical difficulties and prevent unnecessary hardships arising by reason of the application of the conditions and restrictions contained in this Article or Article X hereof. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or improvements in the neighborhood and shall not militate against the general intent and purpose hereof.

Section 8. Waivers. The approval or consent of the Architectural Control Committee, any representative thereof, or the Board of Directors of the Association, to any application for architectural approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the Committee, any representative thereof, or said Board of Directors, as to any application or other matters whatsoever subsequently or additionally submitted for approval or consent hereunder.

ARTICLE VI

INSURANCE

Section 1. Insurance on Common Area. The Association shall maintain insurance covering all insurable improvements located or constructed upon the Common Area. The Association shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and

risk coverage provided by such insurance, and the cost of said coverage shall be paid by the Association as a common expense. Notwithstanding any of the specific insurance requirements specified in this Article VI, the Association may also consider in determining the types and amount of insurance it needs to obtain, the then-existing requirements of any of the Agencies with respect to their insurance, guaranty, purchase or sale of First Mortgages.

(a) A policy of property insurance covering all insurable improvements located on the Common Area, except for land, foundation, excavation and other matters normally excluded from coverage, in an amount not less than necessary to comply with any co-insurance percentage stipulated in the insurance policy. Further, said policy shall contain a "Replacement Cost Endorsement" providing that any claim will be settled on a full replacement cost basis without deduction for depreciation, and include an "Inflation Guard Endorsement" and an "Agreed Amount Endorsement". The Association may also purchase a "Demolition Endorsement," an "Increased Cost of Construction Endorsement", a "Contingent Liability from Operation of Building Laws Endorsement", a "Vacancy Permit Endorsement" or the equivalent, and/or coverage on personal property owned by the Association including fixtures and building service equipment, furnishings and supplies. Such insurance as maintained by the Association pursuant to this subsection shall afford protection against at least the following:

(1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and

(2) such other risks as shall customarily be covered with respect to projects similar in construction, location and use including all perils normally covered by the standard "all risk" endorsement, where such is available.

(b) A comprehensive policy of public liability insurance covering all of the Common Area, insuring the Association in an amount not less than \$1,000,000.00 covering bodily injury, including death to persons, personal injury and property damage liability arising out of a single occurrence. Such coverage shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Area, legal liability arising out of lawsuits related to employment contracts of the Association, and protection against liability for non-owned and hired automobiles; such coverage may also include, if applicable, comprehensive automobile liability insurance, garagekeeper's liability, liability for property of others, host liquor liability, water damage liability, contractual liability,

workmen's compensation insurance for employees of the Association, and such other risks as shall customarily be required by private institutional mortgage investors with respect to projects similar in construction, location and use.

(c) A policy providing comprehensive fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, in an amount at least equal to the estimated maximum of funds, including maintenance reserves in the custody of the Association at any given time; provided, however, that such fidelity coverage or fidelity bonds shall not be in an amount less than the greater of three (3) months' aggregate assessments on all Lots, plus such reserve funds, or one hundred and fifty percent (150%) of the Association's estimated annual operating expenses and reserves. Such fidelity coverage or bonds shall meet the following requirements:

(1) all such fidelity coverage or bonds shall name the Association as an obligee;

(2) such fidelity coverage or bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

In the event the Association has delegated some or all of its responsibility for the handling of funds to a managing agent, the Association may require the managing agent to purchase at its own expense, a policy of fidelity insurance or bonds which fully complies with the provisions of this subparagraph (c).

(d) If the Common Area, or any portion thereof, is located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance coverage on the Common Area has been made available under the National Flood Insurance Program, then such a policy of flood insurance on the Common Area in an amount at least equal to the lesser of:

(1) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or

(2) one hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.

(e) In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available, including but not limited to personal liability

insurance to protect directors and officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association and, if appropriate, coverage for loss or damage resulting from steam boiler equipment or air conditioning equipment accidents in an amount not less than \$100,000.00 per accident per location or such greater amount as may be deemed prudent by the Association based on the nature of the property.

Section 2. Insurance on the Structures on Lots. The Board of Directors of the Association or its agent may, but shall not be obligated to, obtain and maintain, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance, a policy of property insurance covering the structure(s) located on each Lot, except for land, foundation, excavation and other items normally excluded from coverage, in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the insurance policy. Further, said policy shall contain a "Replacement Cost Endorsement" providing that any claim will be settled on a full replacement cost basis without deduction for depreciation, and including an "Inflation Guard Endorsement" and an "Agreed Amount Endorsement". The Association may also purchase a "Demolition Endorsement", an "Increased Cost of Construction Endorsement", a "Contingent Liability from Operation of Building Laws Endorsement", and/or a "Vacancy Permit Endorsement" or the equivalent. Such insurance as maintained by the Association pursuant to this section shall afford protection against at least the following:

(a) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and

(b) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement where such is available.

Section 3. General Provisions of Insurance Policies. All policies of insurance carried by the Association shall be carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association. The policy or policies shall contain a standard non-contributory First Mortgagee's clause in favor of each First Mortgagee and a provision that it cannot be cancelled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice thereof is given to the insured and each First Mortgagee. The Association shall furnish a certified copy or duplicate original of such policy or renewal

thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest, including First Mortgagees, upon request. Any such Owner's policy shall also contain waivers of subrogation. All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not under the control of the Association.

Section 4. Deductibles. All policies of insurance in which the Association or its designee is the beneficiary shall include a deductible clause in an amount not less than the greater of \$500.00 or 1% of the face amount of the policy. Any loss falling within the deductible portion of such policy shall be borne by the person or entity who is responsible for the repair and maintenance of the property which is damaged or destroyed. In the event of a joint duty of repair and maintenance of the damaged or destroyed property, then the deductible shall be borne by the Association. Notwithstanding the foregoing, after notice and hearing, the Association may determine that a loss, either in the form of a deductible to be paid by the Association or an uninsured loss, resulted from the act or negligence of an Owner. Upon said determination by the Association, any such loss or portion thereof may be assessed to the Owner in question and the Association may collect the amount from said Owner in the same manner as any annual assessment.

Section 5. Insurance Trustee. The Association may authorize a representative to act for it, including any trustee or successor thereto, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance. Such insurance trustee shall act as attorney-in-fact for the purpose of purchasing and maintaining insurance, including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. Said party may also receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Owners and their First Mortgagees as their interest may appear.

Section 6. Association Insurance as Primary Coverage. If at the time of any loss under any policy which is in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, such Association policy shall be primary insurance not contributing with any of such other insurance. An Owner shall be liable to the Association for the amount of any diminution of insurance proceeds to the Association as a result of policies of insurance of an Owner, and the Association may collect the amount

from said Owner in the same manner as any annual assessment. Any such Owner's policy shall also contain waivers of subrogation.

Section 7. Acceptable Insurance Companies. Each hazard insurance policy purchased by the Association must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of B/VI or better, or a financial rating of Class V provided it has a general policy holder's rating of at least A, and is authorized by law to do business in the State of Arizona. The Association shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee or (b) under the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holder or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or any Owner from collecting insurance proceeds.

Section 8. Insurance to be Maintained by Owners. The Owners of each Lot shall obtain and maintain public liability insurance coverage on their Lot and, if such coverage is not maintained by the Association as permitted in Section 2 of this Article VI, a policy of property insurance on their Lot in conformance with the coverages outlined in Section 2 of this Article VI and including such other provisions of this Article which may be applicable to such policies carried by the Association. In addition, insurance coverage on the furnishings and other items of personal property belonging to an Owner shall be the responsibility of the Owner thereof. Owners shall also be responsible for obtaining such policies of title insurance related to any sale of a Lot other than the purchase by the initial Owner from the Declarant.

Section 9. Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Board of Directors of the Association to ascertain that the coverage provided by such policies adequately covers those risks insured by the Association. Prior to obtaining any policy of fire insurance or renewal thereof, the Board of Directors or the managing agent of the Association may obtain a written appraisal from a duly qualified real estate or insurance appraiser, or other person knowledgeable as to replacement costs, which appraiser shall reasonably estimate the full replacement value of the improvements to the insured for the purpose of determining the amount of insurance required pursuant to the provisions of this Article. Any First Mortgagee of a Lot shall be furnished with a copy of such appraisal upon request.

ARTICLE VII

DAMAGE OR DESTRUCTION

Section 1. Damage to Common Area. In the event of damage or destruction to all or a portion of the Common Area due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such Common Area damage or destruction are insufficient to repair and reconstruct the damaged or destroyed Common Area, the Association shall levy a reconstruction assessment in the aggregate amount of such insufficiency pursuant to Article IV, Section 6 hereof and shall proceed to make such repairs or reconstruction, unless the Owners of Lots agree not to repair and reconstruct such damage, in accordance with the terms and provisions of Article XI hereof. No distributions of insurance proceeds shall be made unless made jointly payable to the Owners and First Mortgagees of their respective Lots, if any. The reconstruction assessment provided for herein shall be a debt of each Owner and a lien on his Lot and the improvements thereon, and may be enforced and collected in the same manner as any assessment lien provided for in this Declaration.

Section 2. Destruction of Improvements on Lot. In the event of damage or destruction to any structure located on a Lot due to fire or other adversity or disaster, the insurance proceeds shall be adjusted with the Association and paid or payable to the Association as trustee for the Owners, but to be held by the Association in trust for Owners and First Mortgagees as their interests may appear. "Repair and reconstruction" of any structure, as used in this Section 2, shall mean restoring the improvements to substantially the same condition in which they existed prior to such damage or destruction, with each such structure having the same boundaries as before.

(a) If such insurance proceeds are sufficient to repair or reconstruct any damaged or destroyed structure, the Association shall promptly authorize the necessary repair and reconstruction work, and the insurance proceeds shall be applied by the Association to defray the cost thereof.

(b) If the insurance policy covering the loss is a policy of property insurance carried by the Association pursuant to Article VI, Section 2 of this Declaration and such insurance proceeds are insufficient to repair or reconstruct any damaged or destroyed structure, such damage or destruction shall be promptly repaired and reconstructed by the Association, using the insurance proceeds and the proceeds of a reconstruction assessment levied as provided in Article IV, Section 6 hereof. The reconstruction assessment provided for herein shall be a debt of each Owner and

a lien on each such Owner's Lot and the improvements thereon, and shall be enforced and collected as provided in Article IV hereof.

(c) If the insurance policy covering the loss is not a policy of property insurance carried by the Association pursuant to Article IV, Section 2 of this Declaration and the insurance proceeds are insufficient to repair or reconstruct any damaged or destroyed structure, such damage or destruction shall be promptly repaired and reconstructed using the available insurance proceeds and other personal funds of the Owners(s) of the Lot in which such damaged or destroyed structure is located.

ARTICLE VIII

SIDE YARD EASEMENTS

Section 1. There is hereby established side yard easements in favor of the lots owned by the "Dominant Tenement" as shown on Exhibit D attached hereto and made a part hereof and which easements shall burden the lots shown on Exhibit D as "Servient Tenement". Due to the nature of the sideline easements, a lot may be both a "Dominant Tenement" and a "Servient Tenement" as set forth in Exhibit D. The sideline easements in favor of the "Dominant Tenement" shall be three feet, (3') in width and extend from the rear boundary line of "Servient Tenement" lot to the front property line thereof as shown in Exhibit D. The "Dominant Tenement" may use said easement for purposes of drainage, for purposes of repairing and maintaining "Dominant Tenements", wall, fence, home or resident and for purposes related thereto subject to the following provisions:

(i) The owner of the "Dominant Tenement" shall have the right at all reasonable times to enter upon the easement area, including the right to cross over the "Servient Tenement" for such entry in order to perform work related to the use and maintenance of the "Dominant Tenement".

(ii) The "Dominant Tenement" shall have the right of drainage over, across and upon the easement area for water drainage from the roof of any dwelling or structure as originally constructed upon the "Dominant Tenement" lot or as constructed pursuant to the Articles entitled "Architectural Control".

(iii) The owner of the "Servient Tenement" shall not attach any objects to a wall or dwelling belonging to the "Dominant Tenement" or disturb the grading of the easement area or otherwise with respect to the easement area in any manner which would damage the "Dominant Tenement".

(iv) In exercising the right of entry upon the easement area provided for above, the owner of the "Dominant Tenement" agrees to utilize reasonable care not to damage any landscaping or any other items existing in the easement area provided, however, the owner of the "Dominant Tenement" shall not be responsible for damages to such landscaping or other items to the extent such damage could not be reasonably avoided in connection with such entry upon the easement area for authorized purposes; and

(v) Except for roof drainage as hereinabove provided, the owner of the "Dominant Tenement" shall not have the right to concentrate drainage from the "Dominant Tenement" in, under, through or across the easement area without the prior written approval of the owner of the "Servient Tenement".

Section 2. Easement to run with Land. The easement shall be appurtenant to the lots as shown on Exhibit D and shall run with the land and shall pass to the lot owner's successor in title.

Section 3. Repair and Maintenance. The cost of reasonable repair and maintenance of the fence or wall shall be paid by the "Dominant Tenement" upon whose property the wall or fence is situated.

Section 4. Destruction by Fire or other Casualty. If a sidewalk or fence is destroyed or damaged by fire or other casualty, the owner of the "Dominant Tenement" upon whose property the wall or property is situated must restore it to the same condition that it was prior to the destruction or damage at his or her sole cost and expense.

ARTICLE IV

LANDSCAPING

Section 1. Maintenance of Landscaping. The Association shall be responsible for the landscaping and maintenance of the Common Areas. Said maintenance to include having the grass, weeds, trees and vegetation cut and/or trimmed when necessary. No Owner shall, in whole or in part, change the landscaping of the Common Area by the addition or removal of any items thereon without the prior written approval of the Architectural Control Committee.

Section 2. Owner's Negligence. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance or repair of the Common Area, a Lot, or any improvement(s) located thereon, is caused by the willful or negligent act or omission of any Owner, or by the willful or negligent act or omission of any member of such Owner's family or by a guest or invitee of such Owner, the cost of such repair or maintenance shall be the personal obligation of such Owner, and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction shall be added to and become part of the assessment to which such Owner's Lot is subject and shall become a lien against such Owner's Lot as provided in Article IV of this Declaration. A determination of the negligence or willful act or omission of any Owner or any member of an Owner's family or a guest or invitee of any Owner, and the amount of the Owner's liability therefor, shall be determined by the Association at a hearing after notice to the Owner, provided that any such determination which assigns liability to any Owner pursuant to the terms of this Section may be appealed by said Owner to a court of law.

ARTICLE X

RESTRICTIONS

Section 1. General Plan. It is the intention of the Declarant to establish and impose a general plan for the improvement, development, use and occupancy of the Properties, all thereof in order to enhance the value, desirability, and attractiveness of the Properties and subserve and promote the sale thereof.

Section 2. Restrictions Imposed. The Declarant hereby declares that all of the Properties shall be held and shall henceforth be sold, conveyed, used, improved, occupied and owned, resided upon and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in this Declaration.

Section 3. Use of Common Area.

(a) No use shall be made of the Common Area which will in any manner violate the statutes, rules, or regulations of any governmental authority having jurisdiction over the Common Area.

(b) No Owner shall engage in any activity which will temporarily or permanently deny free access to any part of the Common Area to all Members, nor shall any Owner place any structure whatsoever upon the Common Area.

(c) The use of the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association.

(d) No use shall ever be made of the Common Area which will deny ingress and egress to those Owners having access to Lots only over Common Area, and the right of ingress and egress to said Lots is hereby expressly granted.

Section 4. Residential Use. Subject to Section 5 of this Article X, Lots shall be used for residential purposes only, including uses related to the convenience and enjoyment of such residential use, and no business or profession of any nature shall be conducted on any Lot or in any structure located thereon.

Section 5. Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible and proper for Declarant, its employees, agents, and contractors, to perform such reasonable activities, and to maintain upon portions of the Properties such facilities as Declarant deems reasonable, necessary or incidental to the construction and sale of Lots and development of the Properties, specifically including without limiting the generality of the foregoing, maintaining business offices, storage areas, construction yards and equipment, signs, model units, sales offices, parking areas and lighting facilities. Notwithstanding the foregoing, Declarant shall not perform any activity or maintain any facility on any portion of the Properties in such a way as to unreasonably interfere with or disturb any Owner, or to unreasonably interfere with the use, enjoyment or access of such Owner, his family members, guests or invitees of and to his Lot, the Common Area, parking areas and to a public right of way.

Section 6. Household Pets. No animals, livestock, poultry or insects, of any kind, shall be raised, bred, kept or boarded in or on the Properties; provided, however, that the Owners of each Lot may keep a reasonable number of dogs, cats, fish or other domestic animals which are bona fide household pets, so long as such pet(s) are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident(s) of the Properties. The Association shall have, and is hereby given, the right and authority to reasonably determine that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance to any resident(s) of the Properties, or that an Owner is otherwise in violation of the provisions of this Section 6, and to take such action or actions as it deems reasonably necessary to correct the same. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such Owner's pet(s).

Section 7. Lots to be Maintained. Each Lot at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber, or other building materials shall be permitted

to remain exposed upon any Lot so that the same are visible from any neighboring Lot, the Common Area, or any street, except as necessary during the period of construction

Section 8. Temporary Structures. Except as hereinafter provided, no structure of a temporary character, including but not limited to a house trailer, tent, shack, or outbuilding shall be placed or erected upon any Lot, and no residence shall be occupied in any manner at any time prior to its being fully completed, nor shall any residence when completed be in any manner occupied until made to comply with all requirements, conditions and restrictions herein set forth; provided, however, that during the actual construction, alteration, repair or remodeling of a residence, necessary temporary structures for storage of materials may be erected and maintained by the person doing such work. The work of constructing, altering or remodeling any residence shall be prosecuted diligently from the commencement thereof until the completion thereof.

Section 9. Miscellaneous Structures.

(a) No advertising or signs of any character shall be erected, placed, permitted, or maintained on any Lot other than a name plate of the occupant and a street number, and except for a "For Sale", "Open House", or "For Rent", sign not to exceed five (5) square feet; notwithstanding the foregoing, reasonable signs, advertising, or billboards used by the Declarant in connection with its sale or rental of Lots, or otherwise in connection with its development of the Properties, shall be permissible, provided that such use by the Declarant shall not interfere with the Owners' use and enjoyment of their Lot, the Common Area, or with their ingress or egress from a public way to the Common Area or their Lot.

(b) Except as may otherwise be permitted by the Architectural Control Committee, all antennae shall be installed inside any residence.

(c) No clotheslines, dog runs, drying yards, service yards, wood piles or storage areas shall be so located on any Lot as to be visible from a street, any other Lot, or from the Common Area.

Section 10. Vehicular Parking, Storage and Repairs.

(a) No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked on the Properties. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, boat, trailer, camper, house trailer, self-contained motorized recreational vehicle, or other similar vehicle, which has not been driven under its own propulsion for a period of two (2) weeks or longer, or which does not have an operable propulsion

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system installed, therein; provided, however, that otherwise permitted vehicles parked by Owners while on vacation or during a period of illness shall not constitute abandoned or inoperable vehicles. In the event the Association shall determine that a vehicle is an abandoned or inoperable vehicle, then a written notice describing said vehicle shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained), or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the abandoned or inoperable vehicle is not removed within 72 hours thereafter, the Association shall have the right to remove the vehicle at the sole expense of the owner thereof.

(b) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicles, trailers or boats, may be performed or conducted on the Properties, unless it is done within completely enclosed structure(s) which screen the sight and sound of the activity from the street and from adjoining property. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, or motor-driven cycle, together with those activities normally incident and necessary to such washing and polishing.

Section 11. Nuisances. No nuisance shall be permitted on the Properties, nor any use, activity or practice which is the source of annoyance or embarrassment to, or which offends or disturbs the peaceful enjoyment or possession and proper use of the Properties, or any portion thereof, by its residents. As used herein, the term "nuisance" shall not include any activities of Declarant which are reasonably necessary to the development of and construction on the Properties; provided, however, that such activities of the Declarant shall not unreasonably interfere with any Owner's use and enjoyment of his lot or the Common Area, or with any Owner's ingress and egress to or from his Lot and a public way. Further, no immoral, improper, offensive, or unlawful use shall be permitted or made of the Properties or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Properties, or any portion thereof, shall be observed.

Section 12. Lots Not To Be Subdivided. No Lot shall be subdivided, except for the purpose of combining portions with an adjoining Lot provided that no additional building site is created thereby. Not less than one entire Lot, as conveyed, shall be used as a building site.

Section 13. No Hazardous Activities. No activities shall be conducted on the Properties or within improvements constructed on the Properties which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any of the Properties and no open fires shall be lighted or permitted on the Properties except in a contained barbecue unit while attended and in use for cooking purposes or within an interior fireplace, or except such campfires or picnic fires on property which may be designated for such use by the Association.

Section 14. No Annoying Light, Sounds or Odors. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be permitted from any Lot which is noxious or offensive to others.

Section 15. Garbage and Refuse Disposal. No garbage, refuse, rubbish, or cuttings shall be deposited on any street, the Common Area, or any Lot, unless placed in a suitable container suitably located, solely for the purpose of garbage pickup. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage or trash cans or receptacles shall be maintained in an exposed or unsightly manner.

Section 16. Leases. The term "lease", as used herein, shall include any agreement for the leasing or rental of a Lot or any portion thereof, and shall specifically include, without limitation, a month-to-month rental. Any Owner shall have the right to lease his Lot under the following conditions:

(a) All leases shall be in writing; and

(b) All leases shall provide that the terms of the lease and lessee's occupancy of the Lot shall be subject in all respects to the provisions of this Declaration, and the Articles of Incorporation, Bylaws and Rules and Regulations of the Association, and that any failure by the lessee to comply with any of the aforesaid documents, in any respect, shall be a default under the lease; and

(c) No lease shall be for less than thirty (30) days.

Section 17. Minor Violations of Setback Restrictions. If upon the erection of any structure, it is disclosed by survey that a minor violation or infringement of setback lines has occurred, such violation or infringement shall be deemed waived by the Owners of Lots immediately adjoining the Lot containing the structure which is in violation of the setback, and such waiver shall be binding

upon all other Owners. However, nothing contained in this Section 17 shall prevent the prosecution of a suit for any other violation of the restrictions contained in this Declaration. A "minor violation", for the purpose of this Section, is a violation of not more than three (3) feet beyond the required setback lines or Lot lines. This provision shall apply only to the original structures and shall not be applicable to any alterations or repairs to any of such structures.

Section 18. Rules and Regulations. Rules and regulations concerning and governing the Properties or any portion thereof may be adopted, amended or repealed, from time to time by the Board of Directors of the Association, and the Board of Directors may establish and enforce penalties for the infraction thereof, including without limitation the levying and collecting of fines for the violation of any of such rules and regulations.

Section 19. Management Agreements and Other Contracts. Any agreement for professional management of the Association's business or other contract providing for the services of the Declarant shall have a maximum term of three (3) years and any such agreement shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon thirty (30) days' prior written notice; provided, however, that any such management agreement(s) entered into by the Association with a manager or managing agent prior to the termination of the Class B membership shall be subject to review and approval by HUD, FHA or VA, and shall terminate absolutely, in any event, no later than thirty (30) days after termination of the Class B membership.

ARTICLE XI

FIRST MORTGAGEES

Section 1. Member and First Mortgagee Approval. Subject to Article XII, Sections 8(b) and 8(c) of this Declaration, but notwithstanding any other provisions of this Declaration to the contrary, the Association shall not:

(a) unless it has obtained the prior written consent of at least sixty-seven percent (67%) of each class of Members:

(1) by act or omission, change, waive, or abandon any scheme of architectural control, or enforcement thereof, as set forth in this Declaration, regarding the design or maintenance of the Lots, improvements thereon or the Common Area;

(2) fail to maintain full current replacement cost fire and extended insurance coverage on the Common Area;

(3) use hazard insurance proceeds for Common Area

property losses for purposes other than to repair, replace or reconstruct such property;

(4) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer any common property owned, directly or indirectly, by the Association for the benefit of the Owners (excluding the granting of permits, licenses and easements for public utilities, roads, or other purposes reasonably necessary or useful for the proper maintenance or operation of the Properties or the Association);

(5) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner; or

(6) terminate the legal status of the Properties as a planned unit development, provided that this subsection (6) shall not apply to amendments to this Declaration, the Articles of Incorporation or Bylaws of the Association made as a result of destruction, damage or condemnation of the Properties or improvements thereon; provided, however, that any distribution made as a result of said termination shall be accomplished on a reasonable and equitable basis.

(b) unless it has obtained the prior written consent of at least sixty-seven percent (67%) of each class of member, add or amend any material provisions of this Declaration, the Articles of Incorporation or Bylaws of the Association which establish, provide for, govern or regulate any of the following, provided that such additions or amendments shall not be considered material if they are for the purpose of correcting technical errors or for clarification only:

- (1) voting rights;
- (2) assessments, assessment liens or subordination of such liens;
- (3) reserves for maintenance, repair and replacement of those portions of the Common Area which must be maintained, repaired or replaced on a periodic basis;
- (4) responsibility for maintenance and repair of any portion of the Project;
- (5) rights to use of the Common Area;
- (6) boundaries of any Lot;
- (7) convertibility of Lots into Common Area or of Common Area into Lots;

(8) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project;

(9) insurance, including but not limited to fidelity bonds;

(10) leasing of Lots;

(11) imposition of any restriction on the right of any Owner to sell or transfer his Lot;

(12) any decision by the Association to assume self-management of the Association, when professional management has previously been required by any First Mortgagee or any insurer or guarantor of a First Mortgage;

(13) any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, other than substantially in accordance with this Declaration, the Articles of Incorporation and Bylaws of the Association;

(14) any action to terminate the legal status of the Project after substantial destruction or condemnation; or

(15) any provisions which are for the express benefit of First Mortgagees, or insurers or guarantors of First Mortgages.

Section 2. Notice of Action. Upon written request to the Association, identifying the name and address of the First Mortgagee or insurer or guarantor of the First Mortgage and the residence address of the property which is subject to such First Mortgage, each such First Mortgagee, or insurer or guarantor of such a First Mortgage, shall be entitled to timely written notice of:

(a) any condemnation loss or casualty loss which affects a material portion of the Properties or any Lot subject to a First Mortgage held, insured, or guaranteed by such First Mortgagee, insurer or guarantor of a First Mortgage;

(b) any delinquency in the payment of assessments or charges owed to the Association by the Owner of the Lot subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or guarantor, or any default by such Owner in any obligation under the Declaration, Articles of Incorporation or Bylaws of the Association and the Board of Directors of the Association has actual knowledge of such default, when such delinquency and/or default remains uncured for a period of sixty (60) days;

(c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 3. Audit. At any time after that date on which the Project has been expanded, pursuant to Article XII, Section 6 hereof, to include fifty (50) or more Lots, the Association shall provide an audited financial statement for the immediately preceding fiscal year, free of charge to the party so requesting, to any First Mortgagee, or any insurer or guarantor of such a First Mortgage, within a reasonable time after written request therefor made by any such First Mortgagee, insurer or guarantor of such a First Mortgage. So long as the Project includes less than fifty (50) Lots, fifty-one percent (51%) or more of the First Mortgagees shall be entitled to have such an audited financial statement prepared at their expense if one is not otherwise available.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Declaration, the Articles of Incorporation, Bylaws or Rules and Regulations of the Association, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Association and any aggrieved Owner shall have the right to institute, maintain and/or prosecute any such proceedings, and the Association shall further have the right to levy and collect fines for the violation of any provision of any of the aforesaid documents; in any action instituted or maintained under this Section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure by the Association or any Owner to enforce any covenant or restriction herein contained, or any other provision of any of the aforesaid documents, shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity of any of these covenants or restrictions by judgment or court order shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 3. Construction and Maintenance Easement. If any portion of any exterior wall of a structure is situated within five (5) feet of any adjoining Lot line, a valid easement shall and does exist, five feet in width along the adjoining Lot and adjacent to the said Lot line, which easement may be used for the purpose of

construction, reconstruction, maintenance and repair of said exterior wall of a structure that is situated within five feet from the nearest point of said easement.

Section 4. Utilities. There is hereby created a blanket easement upon, across, over and under the Properties/Common Area/Lots for utilities and the installation, replacement, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone, electricity, master television antennae systems and cable television provided that said blanket easement shall not extend across, over or under any structure as is located in any lots. By virtue of this blanket easement, it shall be expressly permissible to erect and maintain the necessary facilities, equipment and appurtenances on the property and to affix, repair and maintain water and sewer pipe, gas, electric, telephone and television wires, cables, circuits, conduits, and meters on the structures. In the event any utility or quasi-utility company furnishing a service covered by the general easement created herein requests a specific easement by separate recordable document, Declarant reserves and is hereby given the right and authority to grant such easement upon, across, over or under any part of all of the Common Area without conflicting with the terms hereof, provided, however, that such right and authority shall cease and determine upon conveyance by Declarant of the last lot to the first purchaser thereof (other than Declarant).

Section 5. Conflict of Provisions. In case of any conflict between this Declaration, the Articles of Incorporation or Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control.

Section 6. Annexation. Additional residential property and/or Common Area may be annexed with the consent of two-thirds of each class of Members. Notwithstanding the foregoing, the Declarant may annex additional residential property and Common Area within the lands described on Exhibit C attached hereto and incorporated herein by this reference, until that date which is seven (7) years after the date of recording of this Declaration in the County of Pima, State of Arizona, without consent of the individual Owners, subject to a determination by HUD, FHA or VA that the annexation is in accord with the general plan heretofore approved by them. Each such annexation shall be effected, if at all, by recording an annexation of additional land in the Office of the Clerk and Recorder of the County of Pima, State of Arizona, which document shall provide for annexation to this Declaration of the property described in such annexation of additional land, and may include such other provisions as deemed appropriate by the Declarant. All provisions of this Declaration, including but not limited to those provisions regarding obligations to pay assessments to the Association and any right to cast votes as Members, shall apply to annexed property immediately upon recording an annexation of

additional land with respect thereto, as aforesaid. Prior to transferring ownership of the first Lot conveyed in the Properties and in any property which is annexed by Declarant pursuant to this Section 6, Declarant shall convey the Common Area contained in the Properties or in such annexed property, as applicable, to the Association.

Section 7. Condemnation. In the event proceedings are initiated by any government or agency thereof, seeking to take by condemnation or the power of eminent domain the Common Area, any part thereof or any interest therein, any improvement thereon, or any interest therein, the Association shall give prompt notice thereof, including a description of the part of or interest in the Common Area or improvement thereon sought to be so condemned, to all Members. The Association shall have full power and authority to defend in said proceedings, and to represent the Owners in any negotiations, settlements and agreements with a condemning authority for acquisition of the Common Area, any part thereof, or any interest therein, and each Owner hereby appoints the Association as his attorney-in-fact for such purposes. Any award or proceeds of settlement shall be payable to the Association for the use and benefit of the Members and their mortgagees as their interest may appear.

(a) In the event that all of the Common Area is taken or condemned, or sold or otherwise disposed of, in lieu of or in avoidance thereof, any award or settlement shall be apportioned by the Association on a reasonable basis as the Association determines to be equitable in the circumstances, or as determined by judicial decree. If the allocation of condemnation award is already established in the negotiations, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent that it is relevant and applicable.

(b) In the event that less than the entire Common Area is taken or condemned or sold or otherwise disposed of in lieu of or in avoidance thereof, the condemnation award shall be applied by the Association to the rebuilding and replacement of those improvements on the Common Area damaged or taken by the condemning public authority, unless sixty-seven percent (67%) of the Owners of Lots agree otherwise. Any surplus of the award or other portion thereof not used for rebuilding and replacement shall be distributed by the Association on the same basis as indicated in subparagraph (a) of this Section 7. No provision of the Declaration or any other document relating to the Properties shall be deemed to give an Owner or any other party priority over the rights of a First Mortgagee, pursuant to a First Mortgage, in the case of a distribution to any Owner of insurance proceeds or condemnation award for losses to or taking of Lots or Common Area or both.

Section 8. Duration, Revocation, and Amendment.

Each and every provision of this Declaration shall run with and bind the land for a term of twenty (20) years from the date of recording of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years each. Except as provided in Article XI hereof, this Declaration may be amended during the first twenty (20) year period, and during subsequent extensions thereof, by any instrument approved in writing by not less than fifty one percent (51%) of the Members of each class. Such amendment shall be effective when duly recorded in the County of Pima, State of Arizona.

(b) Notwithstanding anything to the contrary contained in this Declaration, if Declarant shall determine that any amendments to this Declaration or any amendments to the Articles of Incorporation or Bylaws of the Association shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to any of the Agencies, then, subject to the following sentence of this Section, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners or First Mortgagees. Any such amendment of this Declaration or of the Articles of Incorporation or Bylaws shall be made, if at all, by Declarant prior to termination of the Class B membership as provided in Article III, Section 3 of this Declaration; and each such amendment must contain thereon the written approval of VA, FHA or HUD.

(c) Declarant hereby reserves and is granted the right and power to effect technical amendments to this Declaration, the Articles of Incorporation or Bylaws of the Association at any time prior to the termination of the Class B membership, for the purposes of correcting spelling, grammar, dates or as is otherwise necessary to clarify the meaning of the provisions of any of such documents.

Section 9. Rights of Declarant Incident to Construction. An easement is hereby retained by and granted to Declarant, its successors and assigns, for access, ingress and egress over, in, upon, under and across the Common Area, including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's construction on the Properties; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, his family members, guests, or invitees, to or of that Owner's Lot.

Section 10. Easement For Encroachments. If any portion of a structure located upon a Lot encroaches upon the Common Area

or upon any adjoining Lot, or if any portion of a structure located upon the Common Area encroaches upon any Lot, including any future encroachments arising or resulting from the repair or reconstruction of a structure subsequent to its damage, destruction or condemnation, a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, so long as it stands, shall and does exist.

Section 11. Registration by Owner of Mailing Address. Each Owner and each First Mortgagee, insurer or guarantor of a First Mortgage, shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an Owner, or each First Mortgagee, insurer or guarantor of a First Mortgage shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands, or other notices intended to be served upon the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to 717 South Alvernon, Tucson, Arizona 85711, until such address is changed by the Association.

Section 12. HUD/FHA/VA Approval. As long as there is a Class B membership, the following actions shall require the prior approval of the HUD, FHA or VA: annexation of additional properties, dedication of Common Area, and amendment of this Declaration.

Section 13. Dedication of Common Area. Declarant in recording this Declaration of Covenants, Conditions and Restrictions has designated certain areas of land as Common Area intended for the common use and enjoyment of Owners for recreation and other related activities. The Common Area is not dedicated hereby for use by the general public but is dedicated to the common use and enjoyment of the Owners, as more fully provided in this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal as of the 1 day of May, 1984.

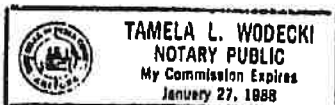
PULTE HOME CORPORATION, a
Delaware corporation

ATTEST:

Tamela L. Wodecki

By: [Signature]

Title: VP



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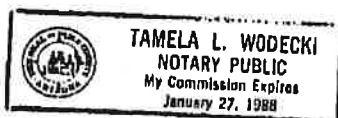
STATE OF ARIZONA)

) ss:
COUNTY OF PIMA)

Before me this 1 day of May, 1984
personally appeared William J. Martin who acknowledged himself
to be an officer of the Pulte Home Corporation, a Delaware 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 as Declarant by himself as such officer.

Tamela L. Wodecki
Notary Public

My Commission Expires:



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EXHIBIT "A"

Lots 90 thru 109 inclusive; Lots 156 thru 191 inclusive; Lots 216 thru 257 inclusive and Recreation Area and Apputenant Common Areas of STAR TRAILS ESTATES II, a subdivision of Pima County, Arizona, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, in Book 37 of Maps and Plats at page 28 thereof.

7281 724

EXHIBIT "4"

All that part of the Northeast 1/4 of the Northeast 1/4 of Section 29, Township 12 South, Range 13 East, G. & S. R. D. & M., Pima County, Arizona, more particularly described as follows:

Commence at the South East corner of said Northeast 1/4 of the Northeast 1/4;
Thence South 89° 46' West, along the South line of said Northeast 1/4 of the Northeast 1/4, 75.00 feet, to a point on the West Right-of-way of Shannon Road, said point being the POINT OF BEGINNING;
Thence North 0° 01' 37" West, along said Right-of-way, 684.90 feet;
Thence South 89° 58' 23" West, 774.68 feet;
Thence North 0° 01' 37" West, 94.67 feet;
Thence South 89° 58' 23" West, 20.32 feet;
Thence North 0° 01' 37" West, 28.00 feet;
Thence South 89° 58' 23" West, 183.00 feet;
Thence South 0° 01' 37" East, 192.00 feet;
Thence South 89° 58' 23" West, 7.29 feet;
Thence South 0° 01' 37" East, 98.00 feet;
Thence North 89° 58' 23" East, 150.29 feet;
Thence South 0° 01' 37" East 79.33 feet;
Thence North 89° 58' 23" East, 229.00 feet;
Thence South 0° 01' 37" East, 78.05 feet;
Thence North 89° 58' 23" East, 10.90 feet;
Thence North 52° 28' 23" East, 127.00 feet;
Thence North 87° 17' 42" East, 83.44 feet;
Thence North 89° 58' 23" East, 135.00 feet;
Thence South 0° 01' 37" East, 92.00 feet;
Thence South 89° 58' 23" West, 135.00 feet, to a point of curvature;
Thence along a curve concave to the Southeast having radius of 125.00 feet and a central angle of 90° 00' 00", an arc length of 196.35 feet, to a point of tangency;
Thence South 0° 01' 37" East, 276.38 feet to a point on the South line of said Northeast 1/4 of the Northeast 1/4;
Thence North 89° 46' 45" East, along said South line 536.00 feet to the POINT OF BEGINNING;

EXCEPT Lots 90 thru 109, 156 thru 183 and 224 thru 257 of STAR TRAILS ESTATES, as recorded in the office of the County Recorder of Pima County, Arizona, in Book 37 of Maps and Plats at page 28 thereof.

7281 725

EXHIBIT "B"

(CONTINUED)

All that part of the Northeast 1/4 of the Northeast 1/4 of Section 29, Township 12 South, Range 13 East, G. & S. R. D. & M., Pima County, Arizona, more particularly described as follows:

Commence at the South East corner of said Northeast 1/4 of the Northeast 1/4;
Thence South 89° 46' 45" West along the South line of said Northeast 1/4 of the Northeast 1/4, 536.00 feet to the POINT OF BEGINNING;
Thence North 0° 01' 37" West, 226.38 feet, to a point of curvature;
Thence along a curve concave to the Southeast, having a radius of 125.00 feet and a central angle of 90° 00' 00", a arc length of 196.35 feet to a point of tangency;
Thence North 89° 58' 23" East, 135.00 feet;
Thence North 0° 01' 37" West, 92.00 feet;
Thence South 89° 58' 23" West, 135.00 feet;
Thence South 87° 10' 42" West, 83.44 feet;
Thence South 52° 28' 23" West, 127.00 feet;
Thence South 89° 58' 23" West, 10.90 feet;
Thence South 0° 01' 37" East, 16.62 feet;
Thence South 89° 58' 23" West, 11.0 feet;
Thence South 0° 01' 37" East, 38.00 feet;
Thence South 89° 58' 23" West, 18.33 feet;
Thence South 0° 01' 37" East, 307.72 feet, to a point on the South line of said Northeast 1/4 of the Northeast 1/4;
Thence North 89° 46' 45" East, 99.33 feet, to the POINT OF BEGINNING;

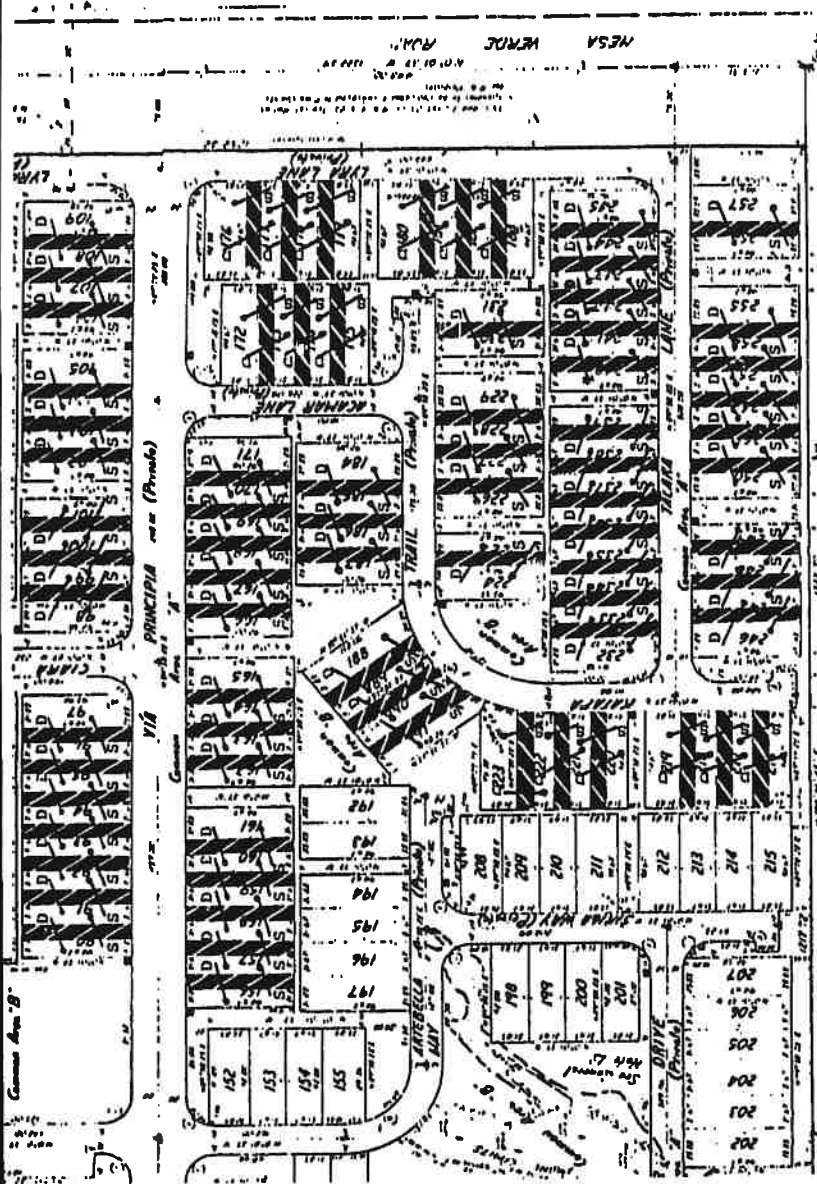
EXCEPT Lots 184 thru 191 and 216 thru 223 of STAR TRAILS ESTATES, as recorded in the office of the County Recorder of Pima County, Arizona, in Book 37 of Maps and Plats at page 28 thereof.

7281 726

EXHIBIT "C"

Lots 6 thru 89 inclusive; Lots 110 thru 155 inclusive and Lots 192 thru 215 inclusive and Appurtenant Common Areas of STAR TRAILS ESTATES II, a subdivision of Pima County, Arizona, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, in Book 37 of Maps and plats at page 28 thereof.

7281 727



NOTE: All easements shown along the sides of lot lines are three (3) feet in width. These easements are outlined and described in the Covenants, Conditions and Restrictions of this subdivision.

/// Indicates easements along lot lines

(Dominant Tenement to) (Servient Tenement to)

Exhibit D

STAR TRAILS ESTATES II
Lots 90-109, 156-191 and 216-257.

7261

B27

PIMA COUNTY RECORDER
RICHARD KENNEDY, RECORDER
PIMA COUNTY, ARIZONA
CERTIFICATE OF RECORDING

07/17/87
08:00:00

NO. OF PAGES: 015
SEQUENCE: 87119889 DOCKET: 08079 PAGE: 0398
RECORDING TYPE: RESTRICTION
GRANTOR: STAR TRAILS ESTATES II L 1-5
GRANTEE: RESTRICTION

TLATI
LAWYERS TITLE

450 N PASEO REDONDO
TUCSON AZ 85701
602-624-8131

LKF
DEPUTY RECORDER

15 PAGES	AT	\$	14.00
CONVERSION FEE			3.00
0 AFFIDAVIT	AT	2.00 EACH	.00
0 COPIES	AT	1.00 EACH	.00
0 POSTAGE	AT	1.00 EACH	.00
0 SEARCHES	AT	10.00 EACH	.00

TOTAL 17.00

AMOUNT PAID \$	17.00
2011 AS21 AMOUNT DUE \$.00

THE ABOVE SPACE FOR RECORDERS USE ONLY
TO BE RECORDED AS PART OF DOCUMENT

8079 398

When recorded, mail to:

Phyllis H. Parise
Storey & Ross, P.C.
Court One - Fourth Floor
4742 North 24th Street
Phoenix, Arizona 85016

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

STAR TRAILS ESTATES II

(LOTS 1 THROUGH 5)

PIMA COUNTY, ARIZONA

THIS DECLARATION is made and entered into on the date set forth at the end hereof by PULTE HOME CORPORATION, a Michigan corporation, as Declarant. Declarant is the owner of the following described real property situated in Pima County, Arizona:

Lots 1 through 5, inclusive, STAR TRAILS ESTATES II, according to the Plat thereof recorded in Book 37 of Maps, Page 28, of the official records of the County Recorder of Pima County, Arizona (the "Project").

Declarant hereby declares that the Project, and all Lots and property therein, shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved subject to the following declarations, limitations, easements, covenants, conditions and restrictions, all of which are and shall be interpreted to be for the purpose of enhancing and protecting the value and attractiveness of the Project and all Lots therein. All of the limitations, covenants, conditions and restrictions shall constitute covenants which shall run with the land and shall be binding upon Declarant, its successors and assigns and all parties having or acquiring any right, title or interest in or to any part of the Project.

ARTICLE I

Definitions

SECTION 1

"Developer" shall mean PULTE HOME CORPORATION, a Michigan corporation, and its successors and assigns, if any such successor or assign should acquire one or more undeveloped Lots from the Declarant or a Developer for the purpose of development.

8079 399

TR 15

SECTION 2

"Lot" shall mean one of the separately designated Lots as shown on the Plat, together with any improvements thereon.

SECTION 3

"Owner" shall mean and refer to the record holder of title to a Lot in the Project. This shall include any person having fee simple title to any Lot in the Project, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a Lot or other property is sold under a recorded contract of sale or subdivision trust to a purchaser, the purchaser, rather than the fee owner, shall be considered the "Owner" as long as he or a successor in interest remains the contract purchaser or purchasing beneficiary under the recorded contract or subdivision trust.

SECTION 4

"Plat" shall mean that certain plat of Star Trails Estates II recorded in Book 37 of Maps, Page 28 of the official records of the County Recorder of Pima County, Arizona, together with any other plats of all or any portion of the Project, as the same are amended from time to time.

SECTION 5

"Project" shall mean only those certain Lots 1 through 5, inclusive, as shown on the Plat.

SECTION 6

"Project Documents" shall mean and include this Declaration, as it may be amended from time to time, the Exhibits thereto, if any, attached hereto and the Plat.

ARTICLE II

Use Restrictions

SECTION 1: USE OF LOTS AS A SINGLE FAMILY SUBDIVISION

All Lots within the Project shall be known and described as residential Lots and shall be occupied and used for single family residential purposes only, and construction thereon shall be restricted to single-family houses and related improvements. No business uses or activities of any kind whatsoever shall be permitted or conducted in the Project, except as set forth in Section 4 of this article below. No Owner shall bring any action for or cause partition of any Lot, it being agreed that this restriction is necessary in order to preserve the rights of the Owners. Judicial partition by sale of a single Lot owned by two

or more persons or entities and the division of the sale proceeds is not prohibited (but partition of title to a single Lot is prohibited). No condominium shall be created within the Project. No unsightly objects or nuisance shall be erected, placed or permitted on any Lot, nor shall any use, activity or thing be permitted which may endanger the health or unreasonably disturb the Owner or occupant of any Lot. No noxious, illegal or offensive activities shall be conducted on any Lot.

SECTION 2: NATURE OF BUILDINGS

No buildings or structures shall be moved from other locations onto any Lot, and all improvements erected on a Lot shall be of new construction. No structure of a temporary character and no trailer, basement, shack, garage, barn or other out-building shall be used on any Lot at any time as a residence, either temporarily or permanently. All buildings and structures in the Project are limited to a single level and no additions or modifications thereto may result in buildings or structures of more than one level. All buildings in the Project shall have tile roofs approved by the Architectural Control Committee (except for a flat patio cover roof approved by the Architectural Control Committee which, if visible from the streets, shall match the tile roof color). There shall be no roof mounted air conditioning or other mechanical units (other than solar energy devices approved by the Committee as set forth in Article II, Section 7 below). The exterior walls of all buildings shall be constructed exclusively of stucco or masonry type material approved by the Architectural Control Committee. Residential driveways in the Project shall be limited to circular or "turnaround" types and no later additions or modifications thereto may result in a driveway other than as set forth herein.

SECTION 3: ANIMALS

No animals, livestock or poultry shall be raised, bred or kept on any Lot except that customary household pets such as dogs, cats and household birds may be kept but only such number and types shall be allowed which will not create a nuisance or disturb the health, safety, welfare or quiet enjoyment of the Lots by the Owners. All animals shall be kept under reasonable control at all times and in accordance with applicable laws. All animal wastes must be promptly disposed of in accordance with applicable city or county regulations.

SECTION 4: SIGNS; RESTRICTIONS ON COMMERCIAL USES

No sign of a commercial nature, except for one "For Rent" or one "For Sale" sign per Lot of no more than five (5) square feet, shall be allowed in the Project. No billboards, stores, offices or other places of business of any character, or any institution or other place for the care or treatment of the sick or disabled, physically or mentally, shall be placed or permitted to remain on any of said Lots, nor shall any theater, bar, restaurant, saloon,

or other place of entertainment ever be erected or permitted on any Lot, and no business of any kind or character whatsoever shall be conducted in or from any Lot. No unsightly objects or nuisance shall be erected, placed or permitted on any Lot. Notwithstanding any provision contained herein to the contrary, it shall be expressly permissible for the Declarant and any other Developers to move, locate and maintain, during the period of construction and sale of Lots, on such portions of the Project owned by that party as that party may from time to time select, such facilities as in the sole opinion of that party shall be reasonably required, convenient or incidental to the construction of houses and sale of Lots, including but not limited to business offices, storage areas, trailers, temporary buildings, construction yards, construction materials and equipment of every kind, signs, models, and sales offices, subject to prior approval thereof by the Declarant.

SECTION 5: USE OF GARAGES

No garages or any other buildings whatsoever shall be constructed on any Lot until a house shall have been erected thereon (or is being erected thereon) or until a contract with a reliable and responsible contractor shall have been entered into for the construction of a house which shall comply with the restrictions herein. The restrictions and conditions set forth above in this Section 5 shall not be applicable to Declarant or any other Developers. No person may convert a garage to living space or for recreational use without the prior written consent of the Architectural Control Committee.

SECTION 6: SIZE OF HOUSES

Unless approved in writing by the Architectural Control Committee, each house shall have a minimum of 1,500 livable square feet, exclusive of open porches, ramadas, patios, balconies, pergolas, carports, detached garage or attached garage, if any, shall be erected, permitted or maintained on any Lot in the Project.

SECTION 7: SOLAR COLLECTORS

Solar collectors and related equipment may be installed on roofs of houses and elsewhere on Lots, provided prior written approval is obtained from the Architectural Control Committee pursuant to Article IV. The Architectural Control Committee, may from time to time adopt guidelines concerning the types of solar collectors and related equipment which may be installed in the Project and acceptable means of installation therefor.

SECTION 8: STORAGE SHEDS, SWINGS AND TENNIS COURTS

No storage sheds or similar or related type objects shall be located on any Lot if the height of such object is greater than the height of the fence on or adjoining said Lot or if such

object is visible from the front of the Lot. All swings and slides (including those used in connection with a swimming pool) shall be at least seven (7) feet from all fences located on or near perimeter Lot Lines. An Owner may construct a tennis court on his Lot subject to applicable zoning regulations and ordinances and the prior written consent of the plans and specifications therefor by the Architectural Control Committee.

SECTION 9: SCREENING MATERIALS

All screening areas, whether fences, hedges or walls, shall be maintained and replaced from time to time on the Lots by the Owners thereof in accordance with the original construction of the improvements by the Declarant, or as approved by the Architectural Control Committee pursuant to Article IV.

SECTION 10: GARBAGE AND RUBBISH; STORAGE AREAS

Each Lot shall be maintained free of rubbish, trash, garbage or other unsightly items or equipment, and the same shall be promptly removed from each Lot and not allowed to accumulate thereon, and no garbage, trash or other waste materials shall be burned on any Lot. Garbage cans, clotheslines, woodpiles and areas for the storage of equipment and unsightly items shall be kept screened by adequate fencing or other aesthetically pleasing materials acceptable to the Architectural Control Committee so as to conceal same from the view of adjacent Lots and streets.

SECTION 11: VEHICLES

No vehicle, wagon, trailer, camper, mobile home or boat of any type which is abandoned or inoperative shall be stored or kept on any Lot or in front of any Lot in such manner as to be visible from any other Lot or any street or alleyway within or adjacent to the Project. No vehicles, wagons, trailers, campers, mobile homes or boats or other mechanical equipment may be dismantled or allowed to accumulate on any Lot or in front of any Lot. No commercial vehicle, camper, boat, trailer, mobile home or recreational vehicle or similar type vehicle shall be parked in front of a Lot or in a front driveway or otherwise on a Lot where it can be seen from any street, except for temporary parking only not exceeding four consecutive hours and except that such type vehicles may be parked within the fence-enclosed backyard of the Lots. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Architectural Control Committee.

SECTION 12: LIGHTS

Except as initially installed by Declarant, no spotlights, flood lights, or high intensity lighting shall be placed or utilized upon any Lot or any structure erected thereon which in any manner

will allow light to be directed or reflected on any other Lot or adjacent street, or any part thereof. Owners may install low intensity tennis court lighting in connection with the construction of a tennis court on their Lots provided that such lighting is approved by the Committee and is not thereafter modified without Committee approval.

SECTION 13: SANITARY FACILITIES

None of the Lots shall be used for residential purposes prior to the installation thereon of water-flushed toilets and all bathrooms, toilets and sanitary conveniences shall be inside the house permitted hereunder on each Lot.

SECTION 14: WINDOW COVER MATERIALS

Prior to installation of any reflective materials on the windows or any portion of the house or any other area on any Lot, approval and consent must be obtained from the Architectural Control Committee pursuant to Article IV, except such consent shall not be required for any such installations made by the Declarant or any Developer.

SECTION 15: DRILLING AND MINING

No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil or water wells, tanks, tunnels, mineral extractions, or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

SECTION 16: LANDSCAPING

As each Lot is transferred from the Developer to each Owner, the landscaping on said Lot shall be in its natural desert condition. With respect to the front yards of the Lots, or any portion of the Lot visible from adjoining Lots or the streets, the Owner shall have the option to install landscaping thereon provided (i) the planned landscaping is consistent with a desert landscaping theme, (ii) the landscaping on each Lot is in accordance with site plans approved in advance by the Architectural Control Committee pursuant to Article IV, and (iii) the landscape plan submitted to the Committee includes proposed changes in grade to be accomplished as part of the landscaping development. If the Owner installs landscaping on the front yard of his Lot, that landscaping at all times must be maintained by each Owner in a neat and attractive manner and any subsequent alterations or modifications made to the original landscaping and/or grade as originally installed shall be approved in advance by the Architectural Control Committee. If any Owner does not maintain such landscaping in a neat and attractive manner, the Declarant, the Developer of the Lot or the Architectural Control Committee,

after giving the Owner fifteen (15) days' written notice to cure any such default, shall have the right to cause the necessary landscaping work to be done and the Owner in default shall be responsible for the cost thereof and the parties expending funds for such work shall have a lien on the defaulting Owner's Lot for the funds expended together with interest thereon at the rate of fifteen percent (15%) per annum until paid. In addition to the foregoing, any party may utilize remedies available under Article V, Section 1, for such Owner's default. The foregoing shall not apply to any landscaping installed in rear yards or patios on the Lots provided that the same shall not be visible to neighboring Lots or the streets and is otherwise in conformance with this Declaration.

SECTION 17: LEASING

The Owners of Lots shall have the absolute right to lease their respective Lots and the dwelling units thereon provided that any such lease is in writing and is specifically made subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration.

ARTICLE III

Fences and Perimeter Easements

SECTION 1: FENCE REQUIREMENTS

Except as may be installed by Declarant or another Developer, no side or rear fence and no side or rear wall, other than the wall of the house constructed on said Lot, shall be more than six (6) feet in height. Notwithstanding the foregoing, prevailing governmental regulations shall take precedence over these restrictions if said regulations are more restrictive. Unless otherwise approved by the Architectural Control Committee, all fencing and any materials used for fencing, dividing or defining the Lots must be of cement block construction and of new materials, and erected in a good and workmanlike manner. The color(s) of the fencing for all Lots will be as selected by the Developer thereof with the prior approval of the Architectural Control Committee and shall not be changed without the prior approval of the Architectural Control Committee. This restriction shall not apply to the Declarant. All fences shall be maintained in good condition and repair, and fences, upon being started, must be completed within a reasonable time not exceeding three (3) months from commencement of construction. Subject to the other provisions of this section, in the event any fence is wholly or partially damaged by any cause, it shall be removed in its entirety or returned to its original condition within three (3) months from the date of damage; provided, however, any fences installed by any Developer must be promptly restored to their original condition by the Owner(s) of the adjacent Lots.

SECTION 2: FENCES AS PARTY WALLS

A. Fences which may be constructed upon the dividing line between Lots (or near or adjacent to said dividing line because of minor encroachments due to engineering errors [which are hereby accepted by all Owners in perpetuity] or because existing easements prevent a fence from being located on the dividing line) by the Developer are party walls and shall be maintained and repaired at the joint cost and expense of the adjoining Lot Owners, and fences constructed upon the back of any Lot (which do not adjoin any other Lot) by the Developer shall be maintained and repaired at the cost and expense of the Lot Owner on whose Lot (or immediately adjacent to whose Lot) the fence is installed. Such fences shall not be altered, or changed in design, color, material or construction from the original installation made by the Developer without the approval of the adjoining Owner(s), if any, and the Architectural Control Committee. Without limiting the generality of the foregoing, in the event any fence that is a party wall is wholly or partially damaged or in need of maintenance or repair (other than as a result of any action either of the Owners, or their guests, tenants, invitees, agents or members of their family, which shall be governed by the provisions set forth below), then, each of the adjoining Owners shall share equally in the cost of replacing the party wall or restoring the same to its original condition. For this purpose, said adjoining Owners shall have an easement as more fully described in Section 3(R) of this article. In the event any such fence which is a party wall is damaged or destroyed by the act or acts of one of the adjoining Lot Owners, his family, agents, guests or tenants, that Owner shall be responsible for said damage and shall promptly rebuild and repair the fence(s) to its (their) prior condition, at his sole cost and expense. All gates shall be no higher than the adjacent fence.

B. In the event of a dispute between Owners with respect to the repair or rebuilding of a fence which is a party wall, then, upon written request of one of such Owners addressed to the other, the matter shall be submitted to arbitration under the rules of the American Arbitration Association. A determination of the matter by the arbitrator or arbitration panel shall be binding upon the Owners. The arbitrator or arbitration panel shall have power, jurisdiction and authority to enter orders and awards for mandatory, specific performance and injunctive relief as well as monetary damages and shall order costs of the proceedings to be paid by the parties, or one of the parties, as the arbitrator or arbitration panel deems appropriate. At the request of either Owner, an order or award of the arbitrator or arbitration panel may be entered as a judgment in Pima County, Arizona Superior Court with the same effect as any other judgment of that court.

C. Wherever the words "fence" or "fences" or "fencing" appears in this Declaration, they include block walls, chain link

fences, wood fences and other materials used as a fence. fences. wall or walls, except a wall which is part of a house and except to the extent cement Block construction is required under Section 1 of this Article VI.

SECTION 3: EASEMENTS

A. Easements for installation and maintenance of utilities and drainage facilities have been created as shown on the Plat. Without limiting the foregoing, as set forth in General Note 21 of the Plat, Lots in the Project are granted a right of ingress and egress over Common Area "A" of Star Trails Estates II [commonly referred to as Canyon Crest Villas] for the purpose of installation and maintenance from time to time of a private sewer to serve the Lots in the Project. Additional easements may be created by grant or reservation by the Developer over a portion of the Project for the foregoing purposes, or for the purposes set forth in Subsection 3C below. Except as may be installed by any Developer, no structure, planting or other materials shall be placed or permitted to remain within these easements which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, if any, or which may obstruct or retard the flow of water through the channels in the drainage easements, if any. The easement area of each Lot and all improvements located thereon shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible, and except for any easement area referred to in Subsection 3C below, which may be fenced off by a fence installed by the Developer. In the latter case, the easement area shall be maintained by the Owner of the Lot who has use of the easement.

B. For the purpose of repairing and maintaining any fence or wall located upon the dividing line between Lots (or located near or adjacent thereto because of an existing easement located on the dividing line), an easement not to exceed five (5) feet in width is hereby created over the portion of every Lot immediately adjacent to any perimeter fence or wall to allow the adjoining Owner access for maintenance purposes set forth herein and no other purpose.

C. In addition to the foregoing, if a fence is not located on a dividing line between Lots, an easement is hereby created for purposes of constructing and maintaining a fence between Lots over that portion of each Lot adjacent to or near the dividing line wherever a fence may be constructed by the Developer thereof within six (6) months after a house is constructed on any Lot. With respect to any fence not located on a dividing line between Lots but located near or adjacent to such dividing line, an Owner of a Lot shall have and is hereby granted a permanent easement over any property immediately adjoining said Owner's Lot up to the middle line of said fence for the use and enjoyment of the same.

ARTICLE IV

Architectural Control

SECTION 1: CREATION OF COMMITTEE

For the purpose of maintaining the aesthetic and beautification features and the architectural and aesthetic integrity and consistency within the Project, an Architectural Control Committee (the "Committee") of three (3) members is hereby established. The first members of said Committee are William Cassarino, Randy Jenott and Charlie Williams, who shall serve until their resignation or removal by Declarant, whereupon Declarant, and its heirs, successors and assigns to whom rights are specifically assigned in writing under Article V, Section 3, may appoint replacements who need not be Lot Owners. After eighty percent (80%) of the Lots in the Project have been sold to individual home purchasers (as evidenced by recorded deeds or agreements of sale to purchasers), a new Committee may be elected by the majority of the Lot Owners in the Project, with each Lot being entitled to one vote for each Committee position, to be cast as a majority of the Owners of that Lot determine. If no such Committee is elected, then and in such event, the members of the Committee appointed by the Declarant, and/or its heirs, successors and assigns, shall continue to act until such time as a majority of the Lot Owners in the Project elects a new Committee. Unless earlier removed as provided above, members of the Committee shall serve for a period of one (1) year or until their successors are duly appointed, whichever is later. Committee members elected by Owners may be removed by two-thirds (2/3) of the Owners who shall have the right to elect successors to fill unexpired terms in the same manner as specified above for the election of members by Owners. A majority of the Committee shall be entitled to take action and make decisions for the Committee. Except for Committee members appointed by the Declarant, all Committee members shall be Owners or representatives of Developers.

SECTION 2: REVIEW BY COMMITTEE

No buildings or improvements, fences, walls, antennas (including customary TV antennas), underground TV apparatus, broadcasting towers, tennis courts or other structures, landscaping or grade changes or conversion of garage areas to living or recreational space shall be commenced, erected, repaired structurally, replaced or altered (except as set forth below) and no changes to exterior colors of any of the foregoing shall be made until the plans and specifications showing the nature, kind, shape, size, height, color, material, floor plan, location and approximate cost of same shall have been submitted to and approved by the Committee. Failure of the Committee to reject in writing said plans and specifications within forty-five (45) days from the

date same were submitted shall constitute approval of said plans and specifications, provided the design, location, color and kind of materials in the building or improvement or other item to be built, installed or altered on said Lot shall be governed by all of the restrictions herein set forth and said improvement or alteration or other item shall be in harmony with existing buildings and structures in the Project. Approval of plans and specifications shall not be unreasonably withheld and rejection of any proposal reflected in plans or specifications must be based on reasonable judgment as to the effect said construction, installation or alteration will have on the Project as a whole. The Committee shall have the right to refuse to approve any such plans and specifications which are not suitable or desirable in their opinion for aesthetic or other reasons and in so passing upon such plans and specifications, it shall have the right to take into consideration the suitability of the proposed improvements or other structure or alteration, and of the material (including type and color) of which it is to be built, the site (including location, topography, finished grade elevation) upon which it is proposed to be erected, the harmony thereof with the surroundings (including color and quality of materials and workmanship) and the effect of the improvements or other structure or alteration as planned on the adjacent or neighboring property including visibility and view. The Committee's approval of materials submitted to it shall not be interpreted or deemed to be an endorsement or verification of the safety, structural integrity or compliance with applicable laws or building ordinances of the proposed improvements or alterations and the Owner and/or its agents shall be solely responsible therefor. The Committee and its members shall have no liability for any lack of safety, integrity or compliance thereof. The Committee and its members shall have no personal liability for judicial challenges to its decisions and the sole remedy for a successful challenge to a decision of the Committee shall be an order overturning the same without creating a right, claim or remedy for damages.

SECTION 3: DECLARANT'S EXEMPTION; RIGHT TO REPLAT

The restrictions and conditions set forth in this Article IV and elsewhere in this Declaration shall not be applicable to any original construction whatsoever undertaken by the Declarant. In addition to the foregoing, Declarant hereby reserves the right, in its sole discretion, and without the consent of the Committee or any other Owner or lienholder (except as provided herein), to amend the Plat with regard to any Lots which Declarant owns from time to time. Notwithstanding the foregoing, such replatting shall not affect the boundaries of any other Owner's Lot and shall always comply with all zoning and other applicable statutes, rules, ordinances and regulations of any governmental or quasi-governmental agency having jurisdiction over the Project. Subject to satisfaction of the foregoing conditions, any amendment to the Plat prepared and recorded by Declarant may reconfigure Declarant's Lots and/or create additional Lots.

SECTION 4: IMPROVEMENTS BY DEVELOPERS

The plans, specifications and elevations of all houses, buildings or other improvements, landscaping and other structures or other items that a Developer (other than Declarant) intends to construct, install or erect in the Project, whether or not the same is visible from another Lot or public street, shall be subject to the review and approval of the Architectural Control Committee prior to the commencement thereof in accordance with the procedures set forth above. In addition to the foregoing requirements, such Developers shall strictly comply with the design and improvement standards adopted by Declarant from time to time for the Project as such standards are revised from time to time in Declarant's sole discretion, provided that any such Developer may continue construction within the Project in accordance with plans, specifications and elevations consistent with the standards in effect at the time the plans, specifications and elevations were submitted to Declarant. The Committee shall refuse approval of any such Developer's plans, specifications and elevations if the same do not comply with the standards then in effect.

ARTICLE VGeneralSECTION 1: EFFECT OF DECLARATION AND REMEDIES

The declarations, limitations, easements, covenants, conditions and restrictions contained herein shall run with the land and shall be binding on all persons purchasing or occupying any Lot in the Project after the date on which this Declaration is recorded. In the event of any violation or attempted violation of these covenants, conditions, and restrictions, they may be enforced by an action brought by the Architectural Control Committee or by the Owner or Owners (not in default) of any Lot or Lots in the Project or by Declarant, at law or in equity. Declarant has no duty to take action to remedy any such default. Remedies shall include but not be limited to damages, injunctive relief and/or any and all other rights or remedies pursuant to law or equity and the prevailing party shall be entitled to collect all costs incurred and reasonable attorneys' fees sustained in commencing and/or defending and maintaining such lawsuit. Any breach of these covenants, conditions and restrictions, or any remedy by reason thereof, shall not defeat nor affect the lien of any mortgage or deed of trust made in good faith and for value upon the Lot in question, but all of these covenants, conditions and restrictions shall be binding upon and effective against any Owner of a Lot whose title thereto is acquired by foreclosure, trustee's sale or otherwise, and the breach of any of these covenants, conditions and restrictions may be enjoined, abated or remedied by appropriate proceedings, notwithstanding the lien or existence of any such mortgage or deed of trust.

All instruments of conveyance of any interest in any Lot shall contain (and if not, shall be deemed to contain) reference to this Declaration and shall be subject to the declarations, limitations, easements, covenants, conditions and restrictions herein as fully as though the terms and conditions of this Declaration were therein set forth in full; provided, however, that the terms and conditions of this Declaration shall be binding upon all persons affected by its terms, whether express reference is made to this Declaration or not in any instrument of conveyance. No private agreement of any adjoining property owners shall modify or abrogate any of these restrictive covenants, conditions and restrictions.

SECTION 2: SEVERABILITY

Invalidity of any one or more of these covenants, conditions and restrictions or any portion thereof by judgment or court order shall in no way affect the validity of any of the other provisions and the same shall remain in full force and effect.

SECTION 3: PLURALS; GENDER

Whenever the context so requires, the use of the singular shall include and be construed as including the plural and the masculine shall include the feminine and neuter.

SECTION 4: RULES CONCERNING DEVELOPERS; TRANSFER BY DECLARANT

Notwithstanding anything to the contrary contained herein, the Declarant or the Architectural Control Committee shall have the right from time to time to promulgate and amend reasonable rules and regulations concerning the conduct and operations and building activities of any other Developer (except the Declarant) who shall be bound thereby. Wherever the Declarant is granted certain rights and privileges hereunder, Declarant shall have the right to assign and transfer any of such rights and privileges to any other Developer as evidenced by a written instrument recorded in the office of the Pima County Recorder. Upon assignment by Declarant of its rights hereunder, the named Declarant shall thereafter have no further liability, responsibility or obligations for future acts or responsibilities of Declarant hereunder and the successor Declarant shall be solely responsible therefor and all parties shall look to the successor Declarant therefor. At any time, Declarant may, by a written, recorded notice, relinquish all or any portion of its rights hereunder and all parties shall be bound thereby.

SECTION 5: MISCELLANEOUS

This Declaration shall remain and be in full force and effect for an initial term of thirty-five (35) years from the date this Declaration is recorded. Thereafter, this Declaration shall be deemed to have been renewed for successive terms of ten (10)

years, unless revoked by an instrument in writing, executed and acknowledged by the then Owners of not less than seventy-five percent (75%) of the Lots in the Project, which said instrument shall be recorded in the office of the County Recorder of Pima County, Arizona, within ninety (90) days prior to the expiration of the initial effective period hereof, or any ten (10) year extension. At any time, this Declaration may be amended by an instrument in writing, executed and acknowledged by the then Owners of not less than sixty-seven percent (67%) of the Lots in the Project. If there is any conflict between the Project Documents, the provisions of this Declaration shall prevail.

DATED this 11 day of JULY, 1987.

PULTE HOME CORPORATION, a
Michigan corporation

By [Signature]
John Sachs
its President - Tucson Division

"DECLARANT"

STATE OF ARIZONA)
County of Pima) ss.

The foregoing instrument was acknowledged before me this 14 day of JULY, 1987, by John Sachs, the PRESIDENT - TUCSON DIVISION of Pulte Home Corporation, a Michigan corporation, for and on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public

My Commission Expires:

My Commission Expires April 28, 1989

RECORDED BY: JEB
DEPUTY RECORDER
2012 RD15



TFAT:
TRACY P NUCKOLLS
DICKERMAN & NUCKOLLS PC
PO BOX 41570
TUCSON AZ 85717

DOCKET: 9389
PAGE: 481
NO. OF PAGES: 2
SEQUENCE: 92145610
10/02/92
AS 08:22:00

MAIL
AMOUNT PAID \$ 7.00

P.O. Box 41570
Tucson, Arizona 85717

ASSIGNMENT OF WATER RIGHTS AND WELL RIGHTS

For the consideration of Ten Dollars (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, METROPOLITAN WATER COMPANY, an Arizona limited partnership ("Assignor"), hereby irrevocably assigns and sets over unto CITY OF TUCSON, a municipal corporation ("Assignee"), all the right, title and interest of Assignor in and to any and all water rights, water permits, well rights, well permits, service area rights and other rights or interests, if any, in any water located on or flowing in any streams, channels, definite underground channels, whether perennial or intermittent, flood, waste or surplus water, or any lake, ponds or springs on the surface or under the surface of the real property being conveyed to Assignee simultaneously herewith.

IN WITNESS WHEREOF, Assignor has signed this Assignment effective the 1st day of October, 1992.

ASSIGNOR:

METROPOLITAN WATER COMPANY,
an Arizona limited partnership

By: Metco, Inc.,
an Arizona corporation, as General
Partner

By: G. Walton Roberson
G. Walton Roberson
President

General
61-197-001/Assn Water Rights

1.25.09.92

9389

481

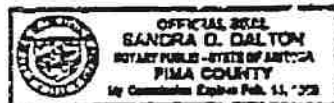
STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 1st
day of October, 1997, by G. Walton Roberson, as President of METCO, INC., an
Arizona corporation, as General Partner of METROPOLITAN WATER COMPA-
NY, an Arizona limited partnership.

Sandra A. Dalton
Notary Public

My Commission Expires:

2-14-96



F. ANN RODRIGUEZ, RECORDER
RECORDED BY: D_K
DEPUTY RECORDER
7864 PE1

W
HAVEN COMMUNITY MGMT
PO BOX 36655
TUCSON AZ 85740



DOCKET: 12454
PAGE: 7187
NO. OF PAGES: 1
SEQUENCE: 20042461247
12/22/2004
NOTICE 17:30
MAIL

AMOUNT PAID \$ 10.00

NOTICE FOR CANYON CREST VILLAS HOMEOWNERS ASSOCIATION

Pursuant to A.R.S. §33-1807(J) (for Planned Communities) CANYON CREST VILLAS HOMEOWNERS ASSOCIATION gives Notice of the following information:

The name of this Association (as reflected in the records of the Arizona Corporation Commission) is: CANYON CREST VILLAS HOMEOWNERS "Association".

The address of the Association is: **PO Box 36655, Tucson, AZ 85740-6655**

The designated agent/management company for the Association is **Haven Community Management**.

The telephone number for the Association is **(520) 579-2596**.

The name of this subdivision/condominium as reflected on the plat for this development is Canyon Crest Villas Homeowners Association.

The Declaration of Covenants, Conditions and Restrictions for the Association was recorded on page 684 - 728 in Docket 7281 in the Office of the Pima County Recorder.

A handwritten signature in dark ink, appearing to be "R. Kelly", is written above the "ACKNOWLEDGED" section.

STATE OF ARIZONA)
County of Pima) ss.

ACKNOWLEDGED before me on December 3, 2004, by [Signature], the Managing Agent of the Association.

[Signature]
Notary Public Cert Comm # 52955



1004-1007

