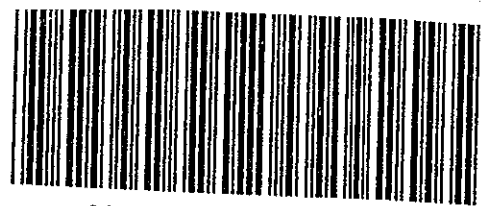


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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

COPPER CREEK

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
COPPER CREEK**

200703

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

COPPER CREEK

This Declaration of Covenants, Conditions, and Restrictions for Copper Creek is made this ____ day of _____, 2001, by Richmond American Homes of Arizona, Inc., a Delaware corporation.

ARTICLE 1

DEFINITIONS

- 1.1 "Additional Property" means any real property, together with the Improvements located thereon, located not more than two miles from the property described on Exhibit A.
- 1.2 "Annual Assessments" means the Assessments levied pursuant to Section 6.2.
- 1.3 "Architectural Committee" means the committee established pursuant to Section 5.11.
- 1.4 "Articles" means the articles of incorporation of the Association, as amended from time to time.
- 1.5 "Assessable Property" means each Lot, except for Exempt Property.
- 1.6 "Assessment" means an Annual Assessment or a Special Assessment.
- 1.7 "Assessment Lien" means the lien created and imposed by Article 6.
- 1.8 "Assessment Period" means the period set forth in Section 6.6.
- 1.9 "Association" means Copper Creek Community Association, an Arizona nonprofit corporation, and its successors and assigns.
- 1.10 "Association Land" means all land, together with all Improvements situated thereon, which the Association at any time owns in fee or in which the Association has a leasehold interest, easement or license, or with respect to which the Association has maintenance obligations pursuant to requirements imposed by the City of Phoenix, for as long as the Association is the

owner of the fee, or holds such leasehold interest, easement or license, or has such maintenance obligations.

1.11 "Association Rules" means the rules adopted by the Board pursuant to Section 5.3, as amended from time to time.

1.12 "Board" means the board of directors of the Association.

1.13 "Bylaws" means the bylaws of the Association, as amended from time to time.

1.14 "Common Area" means: (a) all Association Land; (b) all land, and the Improvements situated thereon, within the Project which the Declarant indicates on a Recorded subdivision plat or other Recorded instrument is to be conveyed to the Association for the benefit and use of the Members; (c) all land, and the Improvements situated thereon, which is situated within the boundaries of a Lot and which is designated on a Recorded subdivision plat Recorded by the Declarant or approved by the Declarant or the Association as land which is to be improved, maintained, repaired and replaced by the Association; (d) all land, and the Improvements situated thereon, within or adjacent to the Project which the Declarant indicates on a Recorded subdivision plat or other Recorded instrument is to be used for landscaping, drainage or water retention or flood control for the benefit of the Project or the general public; and (e) all real property, and the Improvements situated thereon, within or adjacent to the Project located within dedicated rights-of-way with respect to which the City of Phoenix has not accepted responsibility for the maintenance thereof, but only until such time as the City of Phoenix has accepted all responsibility for the maintenance, repair and replacement of such areas, and only if the specific areas to be maintained, repaired and replaced by the Association pursuant to this clause (e) have been expressly approved by either the Declarant or the Board.

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

1.16 "Declarant" means Richmond American Homes of Arizona, Inc., a Delaware corporation, its successors and any Person to whom it may expressly assign any or all of its rights under this Declaration.

1.17 "Declarant Affiliate" means any Person directly or indirectly controlling, controlled by or under common control with the Declarant, and shall include, without limitation, any general or limited partnership, limited liability company, limited liability partnership or corporation in which the Declarant (or another Declarant Affiliate) is a general partner, managing member or controlling shareholder.

1.18 "Declaration" means this Declaration of Covenants, Conditions and Restrictions, as amended from time to time.

1.19 "Design Guidelines" means the rules and guidelines adopted by the Architectural Committee pursuant to Section 5.11, as amended or supplemented from time to time.

1.20 "Developer" means any Person (other than the Declarant) who is in the business of developing, selling or leasing real property and who acquires one or more Lots in connection with, and in the course of, such business, for the purpose of developing, selling or leasing such Lots.

1.21 "Development Plan" means the Development Plan for the Project and other property adopted by the Declarant, as amended by the Declarant from time to time.

1.22 "Exempt Property" means: (a) all land and improvements owned by, or dedicated to and accepted by, the United States, the State of Arizona, Maricopa County or the City of Phoenix, or any political subdivision of any of them, for as long as such entity or political subdivision is the owner thereof or for as long as said dedication remains effective; and (b) all Association Land.

1.23 "First Mortgage" means a Mortgage Recorded against a Lot which has priority over all other Mortgages Recorded against that Lot.

1.24 "Improvement" means: (a) any Residential Unit, building, fence or wall; (b) any swimming pool, tennis court, basketball court, road, driveway, parking area or satellite dish; (c) any trees, plants, shrubs, grass or other landscaping improvements of every type and kind; (d) any statuary, fountain, artistic work, craft work, figurine, ornamentation or embellishment of any type or kind (whether or not affixed to a structure or permanently attached to a Lot); and (e) any other structure of any kind or nature.

1.25 "Lessee" means the lessee or tenant under a lease, oral or written, of any Lot or Residential Unit thereon), including an assignee of the lessee's or tenant's interest under a lease.

1.26 "Lot" means a portion of the Project intended for independent ownership and residential use and designated as a lot on any Recorded subdivision plat executed or approved by the Declarant (including, without limitation, the Plat), and, where the context indicates or requires, includes any Residential Unit, building, structure or other Improvements situated on the Lot.

1.27 "Maximum Annual Assessment" has the meaning given that term in Section 6.4.

1.28 "Member" means any Person who is a Member of the Association as provided in Section 5.7.

1.29 "Membership" means a membership in the Association.

1.30 "Mortgage" means a deed of trust or a mortgage Recorded against a Lot.

1.31 "Mortgagee" means a beneficiary under a deed of trust, or a mortgagee under a mortgage, Recorded against a Lot, and "First Mortgagee" means such a beneficiary or mortgagee under a First Mortgage.

1.32 "Occupant" means any Person other than an Owner who occupies or is in possession of a Lot, or any portion thereof or building or structure thereon, whether as a Lessee or otherwise, other than on a merely transient basis (and includes, without limitation, a Resident).

1.33 "Owner" means the Person or Persons who individually or collectively own fee title to a Lot (as evidenced by a Recorded instrument), but: (a) the Declarant (and not the fee title holder) will be deemed to be the "Owner" of each Lot with respect to which fee title is held by a Declarant Affiliate or by a trustee (other than the trustee of a deed of trust) for the benefit of the Declarant or a Declarant Affiliate; (b) if and for so long as the Declarant or a Declarant Affiliate has, pursuant to a written agreement, an existing right or option to acquire any one or more Lots (other than by exercise of a right of first refusal or right of first offer), the Declarant will also be deemed to be the "Owner" of each Lot with respect to which the Declarant or a Declarant Affiliate has such right or option; and (c) in any case where fee title to a Lot is vested in a trustee under a deed of trust pursuant to Chapter 6.1 of Title 33 of the Arizona Revised Statutes, the owner of the trustor's interest under the deed of trust will be deemed to be the "Owner" of that Lot. Where reference is made in this Declaration to Lots "owned by" a Person, such phrase will be deemed to refer to Lots of which that Person is the Owner, as determined pursuant to this Section.

1.34 "Period of Declarant Control" means the period beginning on the date of the Recording of this Declaration and ending on the earlier of: (a) one hundred twenty (120) days after the number of votes entitled to be cast by Owners other than the Declarant exceeds the number of votes entitled to be cast by the Declarant; (b) December 31, 2020; or (c) the date the Declarant Records a written instrument terminating the Period of Declarant Control.

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

1.36 "Plat" means the plat Recorded in Book 568 of Maps, page 18, Instrument No. 2001-0649013, official records of Maricopa County, and any amendments or supplements thereto, as well as any plat or plats Recorded by Declarant with respect to any portion or portions of the Additional Property annexed to this Declaration pursuant to Section 2.2.

1.37 "Project" or "Property" means the real property described on Exhibit A, together with all Improvements located thereon, and all real property, together with all Improvements located thereon, which is annexed and subjected to this Declaration pursuant to Section 2.2, but excluding any real property, together with all Improvements thereon, which is withdrawn pursuant to Section 2.3.

1.38 "Project Documents" means this Declaration, the Articles, the Bylaws, the Association Rules and the Design Guidelines.

1.39 "Purchaser" means any Person, other than the Declarant, who by means of a voluntary transfer becomes the Owner of a Lot, except for: (a) a Person who purchases a Lot and then leases it to the Declarant for use as a model in connection with the sale or lease of other Lots;

or (b) a Person who, in addition to purchasing a Lot, is expressly assigned any or all of the Declarant's rights as the Declarant under this Declaration; or (c) a Developer.

1.40 "Record," "Recording," "Recorded" and "Recordation" means placing or having placed an instrument of public record in the official records of Maricopa County, Arizona.

1.41 "Resident" means each individual who resides in any Residential Unit.

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

1.43 "Special Assessment" means any Assessment levied pursuant to Section 6.5.

1.44 "Special Use Fees" means any fees charged by the Association for use of Common Areas pursuant to Section 4.1.1(f).

1.45 "Visible From Neighboring Property" means, with respect to an object, that the object is or would be visible to a six-foot tall person standing at ground level on any part of neighboring property, except where the object is visible solely through a wrought iron fence and would not be visible if the wrought iron fence were a solid fence.

End of Article 1

ARTICLE 2

PLAN OF DEVELOPMENT

2.1 Property Initially Subject to the Declaration. This Declaration is being Recorded to establish a general plan for the development and use of the Project in order to protect and enhance the value and desirability of the Project. All of the property within the Project will be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each Person, for himself, herself or itself, and his, her or its heirs, personal representatives, successors, transferees and assigns, binds himself, herself or itself, and his, her or its heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration. In addition, each such Person by so doing acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and evidences his, her or its intent that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration will run with the land and be binding on all subsequent and future Owners, grantees, Purchasers, assignees, Lessees and transferees thereof. Furthermore, each such Person fully understands and acknowledges that this Declaration will be mutually beneficial, prohibitive and enforceable by the Association and all Owners.

2.2 Annexation of Additional Property.

2.2.1 At any time on or before December 31, 2021, the Declarant has the right to annex and subject to this Declaration all or any portion of the Additional Property without the consent of any other Owner or Person (other than the Person who owns the property to be annexed, if other than the Declarant). The annexation of all or any portion of the Additional Property must be effected by the Declarant Recording a written instrument setting forth the legal description of the Additional Property being annexed and stating that such portion of the portion of the Additional Property is annexed and subjected to the Declaration.

2.2.2 The Additional Property may be annexed as a whole, at one time or in one or more portions at different times, or it may never be annexed, and there are no limitations upon the order of annexation or the boundaries thereof. Property annexed by the Declarant pursuant to this Section 2.2 need not be contiguous with other property in the Project, and the exercise of the right of annexation as to any portion of the Additional Property will not bar the further exercise of the right of annexation as to any other portion of the Additional Property. The Declarant makes no assurances as to which, if any, part of the Additional Property will be annexed.

2.3 Withdrawal of Property. At any time on or before December 31, 2021, the Declarant has the right to withdraw property from the Project without the consent of any other Owner or Person (other than the Owner of such property, if other than the Declarant). The withdrawal of all or any portion of the Project must be effected by the Declarant Recording a written instrument setting forth the legal description of the property being withdrawn. Upon the withdrawal of any property from the Project pursuant to this Section, such property will no longer be subject to any of the covenants, conditions and restrictions set forth in this Declaration.

2.4 Disclaimer of Representations. The Declarant makes no representations or warranties whatsoever that: (a) the Project will be completed in accordance with the plans for the Project as they exist on the date this Declaration is Recorded; (b) any property subject to this Declaration will be committed to or developed for a particular use or for any use; (c) any property not now subject to this Declaration will be subjected to the provisions hereof; or (d) the use of any property subject to this Declaration will not be changed in the future. Nothing contained in this Declaration and nothing which may be represented to a purchaser by real estate brokers or salesmen representing the Declarant or any Developer will be deemed to create any covenants or restrictions, implied or express, with respect to the use of any property subject to this Declaration or of any part of the Additional Property.

2.5 Development Plan. Notwithstanding any other provision of this Declaration to the contrary, the Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to the Development Plan with respect to any property owned by the Declarant in any way which the Declarant desires including, but not limited to, changing the density of all or any portion of the property owned by the Declarant or changing the nature or extent of the uses to which such property may be devoted.

End of Article 2

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ARTICLE 3

ARCHITECTURAL CONTROL, PERMITTED USES AND RESTRICTIONS

3.1 Architectural Control

3.1.1 All Improvements constructed within the Project must be of new construction, and no buildings or other structures may be removed from other locations to the Project (except for construction and sales trailers or similar facilities installed, placed or maintained within the Project by Declarant, or which are approved in advance by the Architectural Committee).

3.1.2 No devegetation, excavation or grading work may be performed within the Project without the prior written approval of the Architectural Committee.

3.1.3 No Improvement may be constructed or installed within the Project without the prior written approval of the Architectural Committee.

3.1.4 No addition, alteration, repair, change or other work which in any way alters the exterior appearance (including but without limitation, the exterior color scheme) of any property within the Project, or any Improvements located thereon, may be made or done without the prior written approval of the Architectural Committee, nor may any Lot be split, divided or further subdivided in any manner without the prior written approval of the Architectural Committee.

3.1.5 Any Owner or other Person desiring approval of the Architectural Committee for the construction, installation, addition, alteration, repair, change or replacement of any Improvement which would alter the exterior appearance of his, her or its Lot, or any Improvements located thereon, must submit to the Architectural Committee a written request for approval, in a form prescribed by the Architectural Committee, specifying in detail the nature and extent of the construction, installation, addition, alteration, repair, change, replacement or other work which such Owner or other Person desires to perform. Any Owner or other Person requesting the approval of the Architectural Committee must also submit to the Architectural Committee any additional information, plans and specifications which the Architectural Committee may reasonably request. In the event that the Architectural Committee fails to approve or disapprove an application for approval within forty-five (45) days after the application, together with all supporting information, plans and specifications required by the Design Guidelines or reasonably requested by the Architectural Committee, have been submitted to it, said application shall be deemed disapproved.

3.1.6 The approval by the Architectural Committee of any construction, installation, addition, alteration, repair, change, replacement or other work pursuant to this Section will not be deemed a waiver of the Architectural Committee's right to withhold approval of any similar construction, installation, addition, alteration, repair, change, replacement or other work subsequently submitted for approval.

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

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

3.1.9 The Architectural Committee will have the right to charge a reasonable fee for reviewing requests for approval of any construction, installation, alteration, addition, repair, change, replacement or other work pursuant to this Section, which fee will be payable at the time the application for approval is submitted to the Architectural Committee. Such fee, if established and charged by the Architectural Committee, will be set at such reasonable level as the Architectural Committee may estimate will be necessary to defray the reasonable costs and expenses of the Architectural Committee in reviewing and evaluating any such request or application, and may include, if the Architectural Committee deems it reasonably necessary under the circumstances, an amount to cover the reasonable costs of professional consultation to the Architectural Committee by an architect or engineer.

3.1.10 The provisions of this Section do not apply to, and approval of the Architectural Committee will not be required for, any construction, installation, addition, alteration, repair, change, replacement or other work by, or on behalf of, the Declarant.

3.1.11 The approval required of the Architectural Committee pursuant to this Section will be in addition to, and not in lieu of, any approvals or permits which may be required under any federal, state or local law, statute, ordinance, rule or regulation, or under any other Recorded instrument. The Architectural Committee may condition its approval of any application, plans or other items submitted to it on delivery to the Architectural Committee of evidence satisfactory to the Architectural Committee that the Owner or other Person seeking its approval has also made appropriate applications for (and prior to commencing work will have obtained) any and all such other approvals or permits. The Architectural Committee will cooperate reasonably with any other approving authorities or entities, provided, however, that the Architectural Committee will not be bound by any approvals, permits or other decisions of any other such approving authority or entity.

3.2 Residential Use and Trades or Businesses. All Lots and Residential Units will be used, improved and devoted exclusively to residential use. No trade or business may be conducted on any Lot or in or from any Residential Unit, except that an Owner or other Resident may conduct a business activity in a Residential Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residential Unit; (b) the business activity conforms to all applicable zoning ordinances or requirements; (c) the business activity does not involve the door-to-door solicitation of Owners or

other Residents in the Project; (d) the use of the Residential Unit for trade or business in no way destroys or is incompatible with the residential character of the Residential Unit or the surrounding neighborhood; (e) the trade or business must be conducted only inside the Residential Unit or inside an accessory building or garage, and may not involve the viewing, purchase or taking delivery of goods or merchandise at, to, from or in any Residential Unit; (f) the trade or business will be conducted by a Resident or Residents of the Residential Unit with no more than one (1) employee working in or from such Residential Unit who is not a Resident thereof; (g) no more than twenty percent (20%) of the total floor area of the Residential Unit may be used for trade or business; (h) the Residential Unit used for trade or business will not be used as a storage facility for a business conducted elsewhere; (i) the volume of vehicular or pedestrian traffic or parking generated by such trade or business must not result in congestion or be in excess of what is customary in a residential neighborhood; (j) a trade or business must not utilize flammable liquids or hazardous materials in quantities not customary to a residential use; and (k) a trade or business must not utilize large vehicles not customary to a residential use. The terms "business" and "trade" as used in this Section will be construed to have ordinary, generally accepted meanings, and will include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required for such activity. The leasing of a Residential Unit by the Owner thereof will not be considered a trade or business within the meaning of this Section.

3.3 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, may be used at any time for a residence, either temporary or permanent. Temporary buildings, trailers or other structures used during the construction of Improvements approved by the Architectural Committee must be removed immediately after the completion of construction, and in no event may any such buildings, trailers or other structures be maintained or kept on any property for a period in excess of twelve months without the prior written approval of the Architectural Committee.

3.4 Maintenance of Landscaping. Each Owner of a Lot must properly maintain and keep neatly trimmed, properly watered and cultivated and free of trash, weeds and other unsightly material all shrubs, trees, hedges, grass and plantings of every kind (collectively, "Landscaping") located on: (a) his, her or its Lot; (b) any public right-of-way or easement area which abuts or adjoins the Owner's Lot and which is located between the boundary line of his Lot and the paved area of any street, sidewalk, bike-path or similar area, whether inside or outside any fence or wall (unless otherwise directed by the Board); and (c) any non-street public right-of-way or easement area adjacent to his Lot (unless otherwise directed by the Board); but that Owner will not be responsible for maintenance of any area over which: (i) the Association assumes the responsibility in writing; (ii) the Association has been given such responsibility by a Recorded instrument executed by the Declarant during the Period of Declarant Control; or (iii) the City of Phoenix, Maricopa County or any other municipality or other governmental agency or entity having jurisdiction over such property assumes responsibility, for so long as the City of Phoenix, Maricopa County or such other municipality or other governmental agency or entity assumes or has

responsibility. For purposes of this Section 3.4, proper maintenance of Landscaping includes, without limitation, removal and replacement of dead Landscaping, subject to the Design Guidelines.

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

3.6 Diseases and Insects. No Person may permit any thing or condition to exist upon any Lot or other property which will induce, breed or harbor infectious diseases or noxious insects.

3.7 Repair of Building. No Residential Unit, building, structure or other Improvement on any Lot or other property may be permitted to fall into disrepair and each such Residential Unit, building, structure and other Improvement must at all times be kept in good condition and repair and adequately painted or otherwise finished. If any Residential Unit, building, structure or other Improvement is damaged or destroyed, then, subject to the approvals required by Section 3.1, such Residential Unit, building, structure or other Improvement must be immediately repaired or rebuilt or must be demolished.

3.8 Antennas, Poles, Towers and Dishes. Except as otherwise required by applicable law, no television, radio, shortwave, microwave, satellite, flag or other antenna, pole, tower or dish will be placed, constructed or maintained upon any Lot or other part of the Property unless such antenna, pole, tower or dish is fully and attractively screened or concealed so as not to be Visible From Neighboring Property, which means of screening or concealment will be subject to regulation by and prior approval of the Architectural Committee. Notwithstanding the foregoing, the Architectural Committee may adopt a rule or regulation permitting an Owner or Occupant to install and maintain a flagpole upon the Owner's or Occupant's Lot, provided that the location and size of such flagpole (and the number and size of any flag(s) mounted thereon) may be regulated by the Architectural Committee and may, if so provided in such rule or regulation, be made subject to the prior approval thereof by the Architectural Committee. Nothing in this Section will be deemed to

prohibit the Declarant from installing and maintaining flagpoles on, at or adjacent to model homes within the Project. Poles to which basketball backboards, goals and related equipment are affixed are governed by Section 3.30.

3.9 Mineral Exploration. No Lot or other property may be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, gas, earth or any earth substance of any kind, except for the drilling, operation and maintenance of any testing, inspection or other water wells approved by the Declarant.

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

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

3.12 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, may be erected, placed or maintained anywhere in or upon any Lot or other property unless they are contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Architectural Committee. No provision of this Declaration will be deemed to forbid the erection of temporary power or telephone structures for emergency purposes or incident to the construction of buildings or structures approved by the Architectural Committee. Notwithstanding the foregoing, utility meters and related panels and similar equipment may be placed on outside building walls exposed to view from a street in order to comply with any requirements, regulations, orders, conditions or specifications of any public, quasi-public or private utility or any governmental agency or body, provided that reasonable efforts must be made to avoid placing any such meter, panel or other equipment on the outside front wall of a residence or other building facing the street running directly in front of such residence.

3.13 Overhead Encroachments. No tree, shrub or planting of any kind on any Lot or other property may be allowed to overhang or otherwise to encroach upon any sidewalk, street, bicycle path or pedestrian way from ground level to a height of eight (8) feet without the prior approval of the Architectural Committee.

3.14 Health, Safety and Welfare. If additional uses, activities or facilities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners, Lessees and Occupants, the Board may make rules restricting or regulating their presence in the Project as part of the Association Rules or may direct the Architectural Committee to make rules governing their presence on Lots or other property as part of the Design Guidelines.

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3.15 Model Homes. Provisions of this Declaration which prohibit non-residential use of Lots and regulate parking of vehicles will not be construed or applied to prohibit the construction and maintenance of model homes or other model Residential Units of any kind (including, without limitation, any used in whole or in part as sales offices) (collectively, "Models") by Persons engaged in the construction of Residential Units in the Project, or parking incidental to visiting Models, so long as the construction, operation and maintenance of those Models and parking otherwise comply with all of the provisions of this Declaration. The Architectural Committee may also permit Lots and other areas to be used for parking in connection with the showing of Models. Any homes or other structures constructed as Models must cease to be used as Models at any time the Owner thereof is not actively engaged in the construction and sale of Residential Units in the Project, and no home or other structure may be used as a Model for the sale of homes or other structures not located in the Project. Neither the provisions of this Section nor the provisions of any other Section of this Declaration may restrict or prohibit the right of the Declarant or a Declarant Affiliate to construct, operate and maintain Models in the Project.

3.16 Incidental Uses. The Architectural Committee may approve uses of property which are incidental to the full enjoyment of the Owners and Occupants of the property. Such approval may be subject to such regulations, limitations and restrictions, including termination of the use, as the Architectural Committee may wish to impose, in its sole discretion, for the benefit of the Project as a whole.

3.17 Animals. Except as otherwise provided in this Section, no animal, livestock, poultry or fowl of any kind may be kept on or in any Lot. This Section shall not be deemed to prohibit an Owner or Occupant from keeping on that Owner's or Occupant's Lot a reasonable number of customary domestic house pets which are kept or raised solely as domestic pets and not for commercial purposes. Animals must not be permitted to make an unreasonable amount of noise or to create a nuisance and no animals may be kept on or in any Lot which, in the opinion of the Board, result in an annoyance to other Owners or Occupants in the vicinity. All pets must be leashed when not on property owned by the pet's owner or on which the pet's owner is a Resident or guest, and persons walking any pet must promptly and properly remove and dispose of the pet's waste.

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

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

3.19.1 Signs required by legal proceedings.

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

3.19.3 Subdivision identification signs erected or installed by the Declarant of the Association.

3.19.4 Temporary "Open House" signs indicating that a Residential Unit is available for inspection by interested parties, but such signs may only be erected or maintained during the hours of 10:00 A.M. through 6:00 P.M.

3.19.5 Temporary "for sale" signs, which will be subject to any limitations as to such signs adopted by the Architectural Committee, and which will not be allowed to remain on a Lot for more than a total of one hundred twenty (120) days during any 365-day period.

3.20 Required Approvals for Further Property Restrictions.

3.20.1 All proposed site plans, lot splits and subdivision plats for any Lot or Lots must be approved in writing by the Architectural Committee prior to Recordation thereof or commencement of construction on the applicable Lot or Lots. No Lot, or portion thereof, may be further subdivided, and no portion less than all of any such Lot, or any easement or other interest therein, may be conveyed or transferred by any Owner without the prior written approval of the Architectural Committee.

3.20.2 No further covenants, conditions, restrictions or easements may be Recorded against any Lot or Lots without the prior written approval of the Architectural Committee.

3.20.3 No applications for rezoning, variances or use permits, or for waivers of or modifications to existing variances, use permits, zoning stipulations or similar restrictions, may be filed with any governmental authority or agency without the prior written approval of the Architectural Committee, and then only if such proposed zoning, variance or use, or waiver or modification, is in compliance with this Declaration and the Development Plan.

3.20.4 No subdivision plat, easement, declaration of further covenants, conditions, restrictions or easements or other instrument which is to be Recorded and which is required by this Section 3.20 to be approved by the Architectural Committee will be effective unless the required approval is evidenced on such instrument by the signature of an authorized representative of the Architectural Committee.

3.20.5 No site plan, subdivision plat or further covenants, conditions, restrictions or easements, and no application for rezoning, variances or use permits may be submitted to the City of Phoenix or any other governmental authority or agency unless first approved in writing by the Architectural Committee as provided in this Section 3.20; further, no changes or modifications may be made in any such documents, instruments or applications once they have been approved by the Architectural Committee hereunder (whether requested by the City of Phoenix or otherwise) unless such changes or modifications have first been approved by the Architectural Committee in writing.

3.20.6 Notwithstanding the foregoing, the Declarant will not be required to seek or obtain any of the approvals or consents otherwise required under this Section 3.20 as to any Lot of which Declarant is the Owner.

3.21 Trucks, Trailers, Campers and Boats. No truck, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot, Common Area or other portion of the Property, or on any street, so as to be Visible From Neighboring Property without the prior written approval of the Architectural Committee except for: (a) temporary construction trailers or facilities maintained during, and used exclusively in connection with, construction of any Improvement approved by the Architectural Committee; (b) boats and vehicles parked in garages on Lots so long as such vehicles are in good operating condition and appearance and are not under repair; (c) the storage of vehicles in any area designated or approved for such purposes by Declarant or by the Board (including, but not limited to, one or more recreational vehicle storage facilities, whether operated on a for-profit or not-for-profit basis); or (d) motor vehicles which are not used for commercial purposes and which do not display any commercial name, phone number or message of any kind. Notwithstanding anything to the contrary in this Section or elsewhere in this Declaration, not more than one recreational vehicle and not more than one boat may be parked or stored within the enclosed backyard of any Lot, whether or not the same is or are Visible From Neighboring Property, except that no such recreational vehicle or boat may be parked on a corner Lot (that is, a Lot at the intersection of two streets) if it (or any structure in which it is kept or stored, other than a garage typical within the Property and approved by the Architectural Committee) is visible from adjacent streets.

3.22 Motor Vehicles.

3.22.1 Except for emergency vehicle repair, no automobile or other motor vehicle may be constructed, reconstructed or repaired upon a Lot or other property in the Project, and no inoperable vehicle may be stored or parked on such Lot or other property in the Project so as to be Visible From Neighboring Property or be visible from any Common Area or any street.

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

3.22.3 No automobile or other motor vehicle may be parked on any road or street in the Project, except automobiles or motor vehicles of guests of Owners which may be parked on a road or street in the Project for a period of not more than twenty-four (24) hours.

3.23 Towing of Vehicles. The Board has the right to have any truck, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or similar equipment or vehicle or any automobile, motorcycle, motorbike, or other motor vehicle which is parked, kept, maintained, constructed, reconstructed or repaired in violation of the Project Documents towed away at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle

or equipment must be paid to the Association upon demand by the owner of the vehicle or equipment. If the vehicle or equipment is owned by an Owner, any amounts payable to the Association will be secured by the Assessment Lien, and the Association may enforce collection of those amounts in the same manner provided for in this Declaration for the collection of Assessments.

3.24 Variances. The Architectural Committee may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in this Article 3 if the Architectural Committee determines in its discretion that: (a) a restriction would create an unreasonable hardship or burden on an Owner or Occupant or a change of circumstances since the recordation of this Declaration had rendered such restriction obsolete; and (b) the activity permitted under the variance will not have any substantial adverse effect on Owners and Occupants and is consistent with the high quality of life intended for residents of the Project.

3.25 Change of Use of Common Area. Upon: (a) adoption of a resolution by the Board stating that in the Board's opinion the then present use of a designated part of the Common Area is no longer in the best interests of the Owners; and (b) the approval of such resolution by Members casting more than fifty percent (50%) of the votes entitled to be cast by Members who are present in person or by proxy at a meeting duly called for such purpose and who are entitled to use such Common Area under the terms of this Declaration or other Recorded instrument, the Board will have the power and right to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the buildings, structures and improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use will be consistent with any zoning regulations restricting or limiting the use of the Common Area. This Section 3.25 does not apply to, and will not be deemed to limit in any way, the right and power of the Association pursuant to Section 4.1.1(a) to grant easements over, under or through portions of the Common Area, or to dedicate portions of the Common Area, to public, quasi-public or private utility companies, municipalities or other governmental agencies or entities, in connection with or at the time of development of property within or adjacent to the Project, where required or requested by any municipality or other governmental agency or entity, or any public, quasi-public or private utility company.

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

3.27 Garages and Driveways. The interior of all garages must be maintained in a neat, clean and slightly condition. Garages must be used only for parking vehicles and storage, and must not be used or converted for living or recreational activities. Garage doors must be kept closed at all times except to the limited extent reasonably necessary to permit the entry or exit of vehicles or persons.

3.28 Rooftop HVAC Equipment Prohibited. No heating, ventilating, air conditioning or evaporative cooling units or appurtenant equipment may be mounted, installed or maintained on the roof of any Residential Unit or other building.

3.29 Solar Collecting Panels or Devices. The Declarant recognizes the benefits to be gained by permitting the use of solar energy as an alternative source of electrical power for residential use. At the same time, the Declarant desires to promote and preserve the attractive appearance of the Property and the Improvements thereon, thereby protecting the value generally of the Property and the various portions thereof, and of the various Owners' respective investments therein. Therefore, subject to prior approval of the plans therefor by the Architectural Committee, solar collecting panels and devices may be placed, constructed or maintained upon any Lot within the Property so long as such solar collecting panels and devices are placed, constructed and maintained in such location(s) and with such means of screening or concealment as the Architectural Committee may reasonably deem appropriate to limit, to the extent possible, the visual impact of such solar collecting panels and devices when viewed from any street or from any other property (whether within or outside the Property). Notwithstanding any other provision of this Declaration to the contrary, the Declarant (during the Period of Declarant Control) or the Board (after the expiration or termination of the Period of Declarant Control) will have the right, without the consent or approval of any Owner or other Person, to amend this Section (which amendment may, without limitation, impose additional or different restrictions on solar collecting panels and devices) as the Declarant or the Board (as applicable) deems appropriate in the event that, after the date this Declaration is Recorded, Section 33-439 of the Arizona Revised Statutes (or any successor thereto) is amended, repealed or replaced.

3.30 Basketball Goals or Play Structures. No basketball goal, backboard or similar structure or device, and no swingsets or other play structures, may be placed or constructed on any Lot without the prior written approval of the Architectural Committee (including, without limitation, approval as to appearance and location).

3.31 Tanks. No tanks of any kind (including tanks for the storage of fuel) may be erected, placed or maintained on any Lot unless such tanks are buried underground. Nothing in this Section shall be deemed to prohibit use or storage upon any Lot of an aboveground propane or similar fuel tank used in connection with a normal residential gas barbecue, grill or fireplace or a spa or "hot tub," so long as such tank either: (a) has a capacity of ten (10) gallons or less; or (b) is appropriately stored, used and/or screened, in accordance with the Design Guidelines or as otherwise approved by the Architectural Committee, so as not to be Visible From Neighboring Property.

3.32 Exterior Lighting. Exterior lighting is permitted on a Lot so long as: (a) the source of such lighting is not Visible From Neighboring Property; (b) such lighting is limited to that which is reasonably necessary for the safety and convenience of the Occupants of such Lot; and (c) such lighting conforms to such other requirements as may be imposed by the Architectural Committee. Notwithstanding the foregoing, but subject to reasonable regulation by the Architectural Committee, Owners or Occupants of Lots may display temporary holiday lighting during the Christmas season, provided that no such lighting will be permitted for a period in excess of thirty (30) days.

