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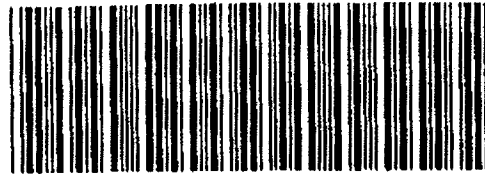
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MASTER DECLARATION  
OF COVENANTS, CONDITIONS,  
RESTRICTIONS, ASSESSMENTS, CHARGES, SERVITUDES,  
LIENS, RESERVATIONS AND EASEMENTS FOR  
THE ARROWHEAD RANCH  
PHASE IV

**MASTER DECLARATIONS  
OF COVENANTS, CONDITIONS,  
RESTRICTIONS, ASSESSMENTS, CHARGES, SERVITUDES,  
LIENS, RESERVATIONS AND EASEMENTS FOR  
THE ARROWHEAD RANCH  
PHASE IV**

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**MASTER DECLARATION  
OF COVENANTS, CONDITIONS,  
RESTRICTIONS, ASSESSMENTS, CHARGES, SERVITUDES,  
LIENS, RESERVATIONS AND EASEMENTS FOR  
THE ARROWHEAD RANCH  
PHASE IV**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, ASSESSMENTS, CHARGES, SERVITUDES, LIENS RESERVATIONS AND EASEMENTS FOR THE ARROWHEAD RANCH PHASE IV (hereinafter termed the "Declaration") is made this 24<sup>th</sup> day of August, by DEL WEBB'S COVENTRY HOMES CONSTRUCTION CO., an Arizona corporation, hereinafter referred to as "Declarant."

**W I T N E S S E T H:**

**WHEREAS,** Declarant is the owner of certain property in and near the City of Glendale, in Maricopa County, Arizona;

**WHEREAS,** Declarant intends, without obligation to do so, to develop, or to cause or permit to be developed by others, certain of the aforesaid lands (which development may be in stages) into one or more planned communities within an area generally located in Glendale, Arizona, such communities collectively to be known as "Arrowhead Ranch"; and

**WHEREAS,** as part of the development of the aforesaid lands Declarant intends, without obligation to do so, to develop, or to cause or permit to be developed by others, one or more communities upon certain land which, as of the date of recordation of this Declaration, is owned by Declarant and shall initially comprise the Property subject hereto; and it is intended, without obligation to do so, that other lands will be added to the Property; and

**WHEREAS,** as part of the development of the aforesaid lands, Declarant, without obligation to do so, may, or may cause or permit others to: record various subdivision plats on portions of the Property; reserve and establish general and restricted common areas and easements on portions of the Property; dedicate portions of the Property to the public for streets, roadways, drainage, utilities and other public use; and record various Supplemental Declarations adding property to the Property, which Supplemental Declarations will designate the property subject thereto and may set forth additional covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements applicable to such portions of the Property.



NOW, THEREFORE, for the mutual benefit of the Property, all those holding interests in the Property and in order to accomplish the purposes outlined above, the Property is hereby subjected to the Covenants, which shall run with the Property; and in order to cause the Covenants to run with the Property and to be binding upon the Property and the Owners thereof or others holding interests therein from and after the date of recordation of this Declaration, Declarant hereby makes all conveyances of the Property or portions thereof or interests therein, whether or not expressly so provided therein, subject to the Covenants herein set forth; and by accepting deeds, leases, easements or other grants or conveyances of any portion of or interest in the Property, the Owners and other transferees, for themselves and their heirs, executors, administrators, trustees, personal representatives, successors and assigns, agree that they take their interests in the Property subject to, and shall be personally bound by, all of the Covenants (including but not limited to the obligation to pay Assessments and Charges) hereinafter set forth:

## ARTICLE I

### COVENANTS BINDING ON PROPERTY, OWNERS AND ASSOCIATION

Section 1. General Declaration. Declarant intends, without obligation to do so, to develop, to cause to be developed and/or to sell and convey for development the Property and portions thereof. As additional land may be added to the Property, Declarant intends, without obligation to do so, to record or approve the recordation of one or more Supplemental Declarations with respect to such land which will incorporate this Declaration and which may establish such additional covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements with respect to such land as Declarant from time to time deems appropriate. Declarant hereby declares that all of the Property is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved, transferred or otherwise dealt with, in whole or in part, subject to this Declaration and any recorded Supplemental Declarations applicable thereto, as amended or modified from time to time; provided, however, Property which is dedicated to the public or a governmental entity for public purposes may be expressly exempted from this Declaration and the Covenants herein contained while owned by the public or the governmental entity but only while so owned, and, any restrictions in this Declaration or any Declaration concerning the use and maintenance of such public areas imposed upon the Owners and Residents shall at all times be valid and binding. This Declaration and any Supplemental Declarations are declared and agreed to be in furtherance of a general plan for the development, improvement and sale of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property and every part

thereof. All of this Declaration and any Supplemental Declaration shall run with the Property for all purposes and shall be binding upon and inure to the benefit of the Association, Declarant, all Owners, Residents and their successors in interest. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners. Nothing in this Declaration or any Supplemental Declaration shall be construed to prevent the Declarant from modifying its development plan for the property known generally as the Arrowhead Ranch, the Property or any portions thereof or from dedicating or conveying portions of the Property or interests therein for uses other than as a Lot or Association Land.

**Section 2. Property and Parties Bound.** From and after the recordation hereof, the Property shall be subject to the Covenants and said Covenants shall run with, be for the benefit of, bind and burden the Property. Each Owner, for himself, his heirs, executors, administrators, trustees, personal representatives, successors and assigns, expressly agrees to pay, and to be personally liable for, the Assessments and Charges provided for hereunder, and to be bound by all of the Covenants herein set forth. No Owner shall escape personal liability for the Assessments and Charges herein provided by non-use of Association Land or by transfer or abandonment of his Lot. Upon incorporation or other formation of any Subsidiary Association, the Covenants shall be binding upon and shall benefit the Subsidiary Association and its members.

## ARTICLE II

### ASSESSMENTS

**Section 1. Creation of Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned by the Declarant within the Property, hereby covenants and agrees, and each Owner of a Lot, other than the Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay Assessments and Charges to the Association in accordance with this Declaration. All Assessments and Charges shall be established and collected as provided for in this Declaration. The Assessments and Charges, together with interest, late charges and all costs, including, but not limited to, reasonable attorney's fees, incurred by the Association in collecting or attempting to collect delinquent Assessments and Charges, whether or not suit is filed, shall be a charge on the Lot or Lots owned by the Member of the Association and shall be a continuing lien upon the Lot or Lots against which each Assessment is made ("Assessment Lien"). Each Assessment and Charge, together with interest, late charges and all costs, including, but not limited to, reasonable attorney's fees, incurred by the Association in collecting or attempting to collect delinquent Assessments and

Charges, whether or not suit is filed, shall also be the personal obligation of the person or entity who was the Owner of such Lot or Lots at the time when the Assessment and Charge became due. The personal obligation for delinquent Assessments and Charges shall not pass to the successors in title unless expressly assumed by them.

**Section 2. Annual Assessments.**

(A) In order to provide for the operation and management of the Association and provide funds for the Association to pay all Common Expenses and perform its duties and obligations under the Project Documents, including the establishment of replacement and maintenance reserves, the Board, for each Assessment Period, shall assess against each Lot which is Assessable Property an "Annual Assessment" of which the due dates shall be established by the Board.

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

**Section 3. Rate of Assessment.**

(A) For purposes of this Section, the following terms shall have the meanings set forth below:

"Unit Assessment" shall mean the amount determined by the Board of Directors as being the amount which when used as the Unit Assessment for the purpose of levying the Annual Assessment against the Lots in accordance with the provisions of this Section will result in the total amount assessed being equal to the total budget of the Association (except for any Common Expenses to be assessed as a Parcel Assessment under Section 4 of this Article) for the applicable Assessment Period.

"Subdivided Lot" means a Lot which is designated as a Lot on a plat or subdivision map recorded with the County Recorder of Maricopa County, Arizona.

"Improved Lot" means a Subdivided Lot on which a Dwelling Unit has been completed.

"Unsubdivided Lot" means any Lot other than a Subdivided Lot.

(B) The amount of the Annual Assessment for each Lot shall be determined as follows:

(i) Each Unsubdivided Lot shall be assessed an Annual Assessment in an amount equal to one-third ( $1/3$ ) of the product of the number of Units of Density attributable to the Unsubdivided Lot multiplied by the Unit Assessment.

(ii) Each Subdivided Lot which is not an Improved Lot shall be assessed an Annual Assessment in an amount equal to two-thirds ( $2/3$ ) of the Unit Assessment.

(iii) Each Improved Lot, other than a Golf Course or Lake abutting Lot, if any, shall be assessed an Annual Assessment equal to the Unit Assessment.

(iv) Each Improved Golf Course or Lake abutting Lot, if any, shall be assessed an Annual Assessment in an amount equal to one and one-half ( $1-1/2$ ) of the Unit Assessment.

For purposes of this Section, a Dwelling Unit shall be deemed completed when, in the opinion of the Board, the Dwelling Unit is ready for occupancy. In the case of a building which contains more than one Dwelling Unit, construction of all of the Dwelling Units within the building shall be deemed to be completed when the first Dwelling Unit in the building is deemed to be completed in accordance with the provisions of this Subsection.

If the rate of Assessment for any Lot changes during any Assessment Period, the Annual Assessment attributable to the Lot shall be prorated between the applicable rates based upon the basis of number of days in the Assessment Period that the Lot was assessed under each rate.

**Section 4. Parcel Assessments.** All Common Expenses of the Association pertaining to the maintenance, repair and replacement of Parcel Assessment Areas shall be shown separately in the budget adopted by the Board. The Common Expenses pertaining to the maintenance, repair and replacement of a Parcel Assessment Area shall be assessed solely against the Lots which are benefitted by the Parcel Assessment Area as established by the Supplemental Declaration designating the Parcel Assessment Area. No Common Expenses pertaining to the maintenance, repair or replacement of a Parcel Assessment Area shall be used in computing the Annual Assessments to be levied pursuant to Sections 2 and 3 of this Article. Unless otherwise provided in the applicable Supplemental Declaration, Parcel Assessments shall be levied against the Lots benefitted by the Parcel Assessment Area in a uniform rate for each Unit of Density. If the Board determines during any Assessment

Period that Parcel Assessments with respect to any Parcel Assessment Area are, or will become, inadequate to meet all Common Expenses pertaining to that Parcel Assessment Area for any reason, including, without limitation, nonpayment of Parcel Assessments by Members, the Board may increase the Parcel Assessment for that Assessment Period, and the revised Parcel Assessment shall commence on the date designated by the Board. So long as there is a Class B membership in the Association, no Parcel Assessment shall be levied against any Lots owned by the Declarant, but the Declarant shall pay to the Association any amounts which, in addition to Parcel Assessments levied by the Association for a particular Parcel Assessment Area, may be required to pay all Common Expenses of the Association pertaining to the maintenance, repair or replacement of such Parcel Assessment Area.

**Section 5. Special Assessments.** In addition to the Annual Assessment authorized above, the Association may levy against each Lot which is Assessable Property, in any Assessment Period, to be paid during such assessment year or as the Board deems to proportionately allocate, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any improvement upon the Common Area or replacement of damaged or destroyed common elements where the Owner or Owners responsible for such damage or destruction have failed to replace or rebuild pursuant to Article XIV herein, including fixtures and personal property related thereto, provided that the Special Assessment is approved by two-thirds (2/3) of the votes cast by the Voting Owners (present in person or by proxy), at a meeting duly called for such purpose. Any Special Assessment relating to a Parcel Assessment Area shall be assessed solely against the Lots which are benefitted by the Parcel Assessment Area as established by the Supplemental Declaration designating the Parcel Assessment Area at a uniform rate for each Unit of Density. A Special Assessment pertaining to Common Area which is not a Parcel Assessment Area shall be assessed against all Lots which are Assessable Property at a uniform rate for each Unit of Density.

**Section 6. Transfer Charge.** In addition to any other Assessment or Charge, upon the transfer of any legal or equitable interest in any Lot or other portion of the Property, the Association or any authorized representative may assess a "Transfer Charge" against the transferee. Such Transfer Charge shall be reasonably calculated to offset any expenses of the Association in transferring membership in the Association on its books and records, including a charge for copies of the Association Documents, or otherwise incurred as a result of the transfer of ownership, in such amount as is established from time to time by the Board.

**Section 7. Establishment of the Assessment Period.** The "Assessment Period" shall be the calendar year, except that the

first Assessment Period for which Annual Assessments shall be levied in accordance with this Declaration shall commence as to all Lots on the first day following the first conveyance of an Improved Lot by the Declarant or Developer to a Public Purchaser. The first Annual Assessment shall be a prorated portion thereof adjusted according to the number of days remaining in the calendar year. The Board in its sole discretion may from time to time change the Assessment Period by recording an instrument with County Recorder of Maricopa County, Arizona, specifying a different fiscal year as the new Assessment Period. Any partial Assessment Period resulting from commencement or change in Assessments Periods shall be counted as a full Annual Assessment Period.

**Section 8. Rules Regarding Billing and Collection Procedures.** The Board shall have the right to adopt, rescind and amend Rules setting forth procedures for the purpose of making, billing and collecting Assessments and Charges, provided that said Rules are not inconsistent with the provisions hereof. The Rules may permit or require that notices or bills to Owners may be given instead to a Subsidiary Association having jurisdiction over such Owners' Lot(s) (by Subsidiary Declaration or otherwise), which Subsidiary Association will then have the obligation as agent for the Association to collect Assessments imposed on such Owners and forward the collected amounts to the Association. Such obligation of a Subsidiary Association shall be in addition to and not in lieu of each Owner's individual obligation to pay Assessments and Charges, and shall have no effect on the Assessment Lien. The Rules may also set forth a schedule of "late" or similar charges. The failure of the Association to send a notice or bill to an Owner (or Subsidiary Association) shall not relieve the Owner of his liability for any Assessment or Charge under this Declaration or defeat the imposition of any lien therefor imposed under this Declaration. No offsets shall be made or permitted against any Assessment or Charge for any reason. The Association shall be under no duty to refund any payments received by it even though the ownership of a Lot changes during an Assessment Period. Successor Owners of Lots shall be given credit for prepayments made by prior Owners. In case an Owner becomes liable for payment of any sum (or an increase) during an Assessment Period, he shall immediately notify the Association but his failure to notify the Association shall not relieve him of the liability for such amounts. An Owner who becomes such during an Assessment Period upon the recordation of a Supplemental Declaration shall be liable for Assessments and Charges of such nature and in such amounts as the Board may determine in its sole discretion.

**Section 9. Collection Costs and Interest on Delinquent Assessments and Charges.** Any Assessments or Charges, or any installment thereof not paid when due, shall be deemed delinquent and shall, in addition to any late charges, bear interest from such due date at the rate of twelve percent (12%) per annum, or at such rate as set by the Board from time to time, not to exceed the

maximum rate permitted by law, until paid, and the Owner shall additionally be liable for all late charges, interest and all costs, including attorney's fees, which may be imposed or incurred by the Association or others in collecting the same including, without limitation, those incurred in connection with actions taken under any provision of Article IV below. The Board shall have the right to report any delinquency to any credit reporting agency which maintains credit information on any delinquent Owner. The Board may also record a notice of Delinquent Assessment and Lien against any Lot as to which an Assessment or Charge, or installment thereof, is delinquent and may establish a fixed charge to reimburse the Association for the Association's cost in recording such Notice, processing the delinquency and recording a notice of payment, which fixed charge shall be treated as a collection cost.

**Section 10. Evidence of Payment of Assessments and Charges.**

Upon receipt of a written request by an Owner or any other person, the Association within a reasonable period of time thereafter shall issue to such Owner or other person a written certificate stating (a) that all Assessments and Charges have been paid with respect to the specified Lot as of the date of such certificate, or (b) if all such amounts have not been paid, the amount of such Assessments and Charges against such Lot due and payable as of the date of the certificate. The Association may make a charge for the issuance of such certificates, which charge must be paid in advance at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or lender on, the Lot in question.

**Section 11. Utility Costs as Assessments.** To the extent gas, water, sewer, electricity, telephone, television or other utilities or services are not separately metered or billed to particular Lots, the Association may, at its option, but is not obligated to, serve as collection and disbursement agent for any or all such utilities or services which shall be assessed against the affected Owners and their Lots (the "Utility Assessments") with the same force and effects any other assessment hereunder (including being subject to Sections 8 through 10 of this Article and being secured by the Assessment Lien).

**Section 12. Use of Association Funds.** The Association shall apply all funds and property collected or received by it, including without limitation all Assessments and Charges, for any uses of whatsoever kind or nature, and whether within or without the Property, as the Board may, in its sole discretion, deem necessary, desirable or beneficial for the interests of the Property, the Owners or the Residents or as otherwise authorized or required herein.

## ARTICLE III

IMPOSITION OF LIEN, EXEMPTIONS: OWNER'S AGREEMENT

Section 1. Imposition of Assessment Lien and Priority of the Lien. Each Lot shall be charged with and subject to a continuing servitude and lien from the date of recordation of this Declaration or a Supplemental Declaration for the amount of the Assessments and Charges against each such Lot. The lien (hereinafter called the "Assessment Lien") against each such Lot shall be superior to any and all other claims, charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each such Lot, except as provided in Article IV, Section 3 below and except that such Assessment Lien shall be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior.

Section 2. Property Exempted from the Annual and Special Assessments. Exempt Property shall be exempted from the assessment of the Assessments and Charges (except as provided in Article IX, Section 3 below); provided, however, that in the event any change of ownership of Exempt Property results in all or any part thereof becoming Assessable Property in any Assessment Period, the same thereupon shall be subject to the assessment of all Assessments and Charges in such amounts as the Board may determine in its sole discretion.

Section 3. Owner's Promises Regarding Assessments and Assessment Lien. Each Owner, by becoming such, for himself, his heirs, executors, administrators, trustees, personal representatives, successors and assigns, covenants and agrees (regardless of whether such covenants or agreements are expressed in his Deed and regardless of whether he signed the Deed): (a) that he will pay when due all Assessments and Charges against his Lot; (b) that he acquires his Lot subject to all Assessments and Charges and the Assessment Lien; (c) he shall be, and remain, personally liable for any and all Assessments and Charges assessed against his Lot during his being the Owner thereof, and (d) that he waives the benefit of any homestead or exemption laws with regard to the Assessment Lien.

## ARTICLE IV

ENFORCEMENT

Section 1. Association as Enforcing Body. The Association, as agent and representative of the Owners, shall have the exclusive right, but not the obligation, to enforce the provisions of this Declaration.



**Section 2. Association's Remedies.**

(A) If the Owner of any Lot or other person or entity breaches any provision of this Declaration (including but not limited to any failure to pay any Assessments or Charges when due), the Association (or the Architectural Committee or any authorized representative, where appropriate), may enforce the same under any remedy available at law or in equity, including but not limited to taking any or all of the following actions, concurrently or separately (and, by seeking any such remedy, the Association does not by election or otherwise prejudice or waive its right to exercise any other remedy):

(i) Bring an action to recover money damages and costs:

(ii) Seek an injunction against the continuance of the breach;

(iii) Seek specific performance of any affirmative covenant;

(iv) Enforce the Assignment Lien by foreclosure as a realty mortgage or by sale as under a deed of trust (in which regard each Owner hereby expressly grants a power of sale to each of the Association) or otherwise, and pursue any deficiency; the Association having the right: (i) to make payments on any prior lien, which payments shall bear interest at the same rate as delinquent Assessments and which (with such interest) shall be secured by the Assessment Lien, and (ii) to bid on any interest sold or foreclosed and to acquire, hold, mortgage, lease, sell or otherwise deal with the same.

(B) In addition to all other remedies of the Association, the Association shall have the right to assess reasonable fines against any Owner who violates any provision of the Project Documents after such Owner has been given notice of the violation and an opportunity to be heard with respect to the violation in accordance with such policies and procedures as may be adopted from time to time by the Board or as may be set forth in the Bylaws.

**Section 3. Subordination of the Lien to First Mortgage or Deed of Trust.** The Assessment Lien provided for herein shall be subordinate to any first priority mortgage lien, or first priority deed of trust on a Lot. First priority shall mean in first position for collection whether by order of recording, subordination or otherwise. Sale or transfer of any interest in a Lot shall not affect the Assessment Lien; provided, however, that if the sale or transfer is pursuant to foreclosure of such a mortgage or deed of trust, or pursuant to any sale or proceeding in lieu thereof, any such purchaser or transferee shall take the Lot free of all

Assessments and Charges that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu but such purchaser or transferee shall take subject to all Assessments and Charges accruing on and subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu. Any Assessments and Charges so relieved may, however, be collected by assessment (specially or in the next Annual Assessment) against all Lots (including the subject Lot) and shall be secured by the Assessment Lien against all such Lots. No exemption under this Section shall release any defaulting Owner of his personal obligation for amounts so exempted.

**Section 4. Sanctions.** In the event any Owner shall be in arrears in the payment of any amount due under any of the provisions of this Declaration or shall be in default in the performance of any other obligation provided or contemplated by this Declaration for a period in excess of ten (10) days, in addition to all other available remedies, said Owner's right to vote or to hold office and his other rights and privileges as an Owner or as a Member of the Association (including any rights to use of all or a portion of the Association Land) shall be suspended and shall remain suspended until all such payments are brought current and all such defaults remedied, unless specifically otherwise determined by a majority of the Board.

## ARTICLE V

### ORGANIZATION AND RIGHTS AND POWERS OF THE ASSOCIATION

**Section 1. Formation of Association.** The Association shall be a non-profit Arizona corporation charged with the duties and invested with all the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. After incorporation of the Association, a copy of the Articles and Bylaws of the Association shall be available for inspection by the Members for proper purposes at the office of the Association or authorized representative during reasonable business hours. Copies of said Articles and Bylaws may be purchased by the Members for proper purposes for such reasonable fees as may be prescribed by the Association.

**Section 2. Board of Directors and Officers.** The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws as same may be amended from time to time. The Board may also appoint committees and managers or other employees, agents or representatives who shall, subject to the general direction of the Board, be responsible for the day-to-day operation of the Association.

**Section 3. The Rules.** By a majority vote of the Board, the Association may, from time to time, adopt, amend and repeal rules and regulations to be known as the "Rules," with respect to all aspects of the Association's rights, activities and duties under this Declaration. The Rules may, without limitation, govern use of the Property, including prohibiting, restricting or imposing charges for the use of any portion of the Property or violation of such Rules by Owners, Residents or others, interpret this Declaration or establish procedures for operation of the Association or the administration of this Declaration; provided, however that the Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Rules as they may from time to time be adopted, amended or repealed shall be mailed or otherwise delivered to each Owner and will be maintained in the office of the Association or authorized representative. Said Rules shall have the same force and effect as if they were set forth herein and were a part of this Declaration.

**Section 4. Subsidiary Associations.** In the event any homeowners' or similar organization or association is to be formed by the Developer (other than the Declarant) of a portion of the Property, the articles of incorporation, bylaws or other constituent documents for such association shall not be effective unless the contents thereof have been approved by the Board and such constituent documents specify that such association, its rights and the rights of its members are subject and subordinate to the provisions of this Declaration, the provisions of the Articles and Bylaws of the Association, the Rules and the Architectural Rules.

**Section 5. Association's Rights of Enforcement of Provisions of other Instruments Affecting the Property.** The Association, as the agent and representative of the Owners, shall have the right, but not the obligation, to enforce any and all covenants, conditions, assessments, restrictions, charges, servitudes, liens, reservations or easements provided for in any declaration, deed or other instrument affecting all or any part or parts of the Property, including, without limitation, any Supplemental or Subsidiary Declaration, provided such instrument shall have been executed pursuant to, or subject to, the provisions of this Declaration, or shall otherwise indicate that the provisions of such instrument may be enforced by the Association.

**Section 6. Contracts with Others: Interested Parties.**

(A) **General.** Subject to the restrictions and limitations contained herein, the Association may enter into contracts and transactions with others, including Declarant, its subsidiaries and affiliates, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more directors of the Association is employed by or

otherwise connected with such other person or entity (including Declarant, its subsidiaries or affiliates) provided that the transaction or contract is approved in accordance with applicable law.

(B) Management Agreements. Each Owner, by becoming such, shall be deemed to have agreed to be bound by the terms and conditions of all management agreements entered into by the Association or the authorized representative with respect to the Property. A copy of all such management agreements shall be available to each Owner and Mortgagee for reasonable inspection at the offices of the Association or authorized representative. Any management agreement entered into by the Association shall be for a term not in excess of one (1) year and shall provide that it may be canceled without payment of a termination fee (other than amounts then owing) upon thirty (30) days' written notice either (i) for cause by the Association's Board of Directors or (ii) with or without cause upon the affirmative vote of Members of the Association holding at least a majority of the votes eligible to be cast.

Section 7. Mergers, Consolidations. The Association shall have the right and power to participate in mergers or consolidations with any other non-profit corporations, associations or other entities regardless of whether the objects, purposes, rights and powers of such non-profit corporations, associations or other entities are the same as those of the Association. Any proposed merger or consolidation shall require the written approval or the affirmative vote, or any combination thereof, of Voting Owners representing not less than two-thirds (2/3) of the votes entitled to be cast by Voting Owners at a meeting held for such purpose. So long as the Declarant owns any Lot, any merger or consolidation must be approved in writing by the Declarant in order to be effective.

## ARTICLE VI

### ASSOCIATION MEMBERSHIP: VOTING RIGHTS

Section 1. Membership in the Association. Immediately upon incorporation of the Association, each and every Owner (other than Owners solely of Exempt Property), by virtue of being an Owner, automatically shall be a Member of the Association, and shall thereafter remain such for as long as he remains an Owner. Such membership shall be appurtenant to and pass with the title to any Lot and may not be in any manner alienated or encumbered except as an appurtenance thereto as part and parcel thereof; provided, however, that no such change of ownership shall be effective for any voting or notice purposes under this Declaration or otherwise, unless and until the Association has received written notice and is provided satisfactory proof thereof in the form of a recorded Deed

or recorded transfer of title. When more than one person or entity holds an interest as an Owner in any Lot, all such persons and entities shall jointly be the Member with respect to such Lot.

Section 2. Voting Rights. Voting rights shall be vested and shall be exercisable only at such time and in such manner as shall be provided herein and in the Articles and Bylaws.

(A) Classes. The Voting Members shall comprise two classes:

(i) Class A. Class A Voting Members shall initially include all Members except Declarant; and each such Voting Member shall be entitled to vote per Lot owned one (1) vote per Unit of Density which may be built thereon.

There shall not be more than one Voting Member on account of ownership of any Lot. If the Voting Member consists of more than one person or entity, such persons or entities shall designate to the Association in writing who among them shall cast the vote. Absent such written designation by the Member, the Secretary of the Association may make such designation, as he deems appropriate in his discretion. Subject to the forgoing, if any person or entity partially comprising a Voting Member casts a vote representing a certain Unit of Density, it will thereafter be conclusively presumed for all purposes that the first such person or entity voting was acting with the authority and consent of all other persons or entities comprising the same Voting Member.

ii) Class B. The only Class B Voting Member shall be the Declarant, which shall be entitled to three (3) votes for each of the total Units of Density not then subject to a Class A voting right as set forth above; provided, however, that the Class B membership shall cease and be converted to a Class A membership (except that only such converted Class A membership shall be entitled to one (1) vote for every three (3) votes held by the former Class B Voting Member immediately prior to such conversion) on the earlier of the following:

(a) At any time the total votes outstanding in the Class A Membership equal or exceed the total votes outstanding in the Class B membership; or

(b) December 31, 2009; or

(c) Such earlier time as the Declarant shall designate in writing.

The Units of Density applicable to the Lots currently subject to the Declaration are set forth on Exhibit C attached hereto. The Units of Density applicable to Lots which may be annexed by the Declarant pursuant to Article XII of this Declaration shall be as

determined by Declarant from time to time and such determination shall be final and binding on the Association and all Owners. The Units of Density do not represent any obligations or representations of Declarant to actually subject additional land to this Declaration or to develop or cause to be developed any of the Property in any particular fashion. Upon the recording of a Supplemental Declaration annexing additional property to this Declaration, the Units of Density applicable to such property shall be as set forth in the Supplemental Declaration which annexes the Property.

The aforesaid Class A and B voting rights are subject to the provisions of the Articles and Bylaws concerning among other things notice and record dates and further are limited as set forth elsewhere herein. Additionally, such voting rights may be suspended in the event of defaults, as set forth elsewhere herein. Notwithstanding any other provision of this Declaration to the contrary, while a Class B Membership is in effect, the Class B Member shall appoint and remove all members of the Board without any vote therefor being held. A change in the total Units of Density after conversion of the Class B Voting Member to a Class A Voting Member which causes the condition for conversion of subsection (A)(ii)(a) of this Section not to be met (using the three [3] vote Class B preference in making the calculation), shall cause the Class B Voting Member to be reinstated as such for all purposes.

(B) Changes In Rights. If the authorized or actual use of any Lot changes from Single Family Residential Use to any other use, the number of votes to which the Voting Member is entitled with respect to such Lot shall be the number of votes (if any) provided in this Declaration or any applicable Supplemental Declaration for the new use of such Lot. If no voting rights are so provided for such use, then the number of votes for such Lot shall be zero. Each Owner shall immediately give the Association written notice upon such change, describing such change. The change in voting rights hereunder shall be effective on the date that the Board, in the Board's discretion, determines the change is authorized, regardless of such notice.

(C) Owner Voting Rights. Owners shall have the same voting rights as "Voting Owners" for purposes of this Declaration as they possess as Voting Members under this Section 2.

(D) No Other Rights. Nothing in this Article shall give any Owner or Member or other person or entity any right or privilege to construct any Dwelling Unit or any other improvement on any Lot contrary to any other provision of this Declaration, any applicable Supplemental Declaration, or any zoning, plat, agreement or other restriction.

## ARTICLE VII

EASEMENTS AND RIGHTS OF ENJOYMENT IN ASSOCIATION LANDS

Section 1. Owners' and Residents' Easements and Rights of Enjoyment in Association Land. Subject to the controls, restrictions and limitations set forth in this Declaration or any Supplemental Declaration or other deed restriction on the Association Land or parts thereof and subject to the Rules, every Owner, by reason of such ownership, shall have a right and easement of enjoyment in and to all Association Land in conformance with their contemplated use, which right and easement shall be appurtenant to and nonseverable from (except as expressly set forth in Section 4 of this Article) and shall automatically pass with the title to each Lot upon transfer to a new Owner. Subject to such right and easement, all right, title and interest in and to all Association Land shall remain vested in the Association so long as the Association is the Owner thereof, and the status of any other Owner as a Member shall not vest any of such right, title and interest in such other Owner.

Section 2. Rules Regulating Use of Association Lands. All rights, easements and privileges granted and conferred under this Article shall be subject to the right of the Association to adopt, from time to time, Rules pertaining to the use of Association Land (including, but not limited to, prohibiting access to areas such as, for example, landscaped right-of-ways or Lakes, if any, or establishing limited use areas reserved for the exclusive benefit of and limited use by some or all Owners and Residents).

Section 3. Fees Chargeable to Certain Classes of Users of Association Land. All rights, easements and privileges granted and conferred under this Article further shall be subject to the exclusive right of the Association to charge Owners, Residents and other persons Special Use Fees, initiation, admission and other fees or charges in connection with the use of any or all of the Association Land. In establishing or adjusting the amounts of such fees or charges from time to time, the Board, in its absolute discretion, may establish classifications as or among Owners, Residents and other persons. The Association is authorized to establish, bill for, sue for, collect, administer and disburse all Special Use Fees in such manner as it deems appropriate, and the payment thereof shall be secured by the Assessment Lien.

Section 4. Suspension of Rights of Enjoyment in Connection with Enforcement of the Covenants. The Association shall have the right to suspend the aforesaid rights, easements and privileges of any Owner (and the privilege of each Resident or other person claiming through such Owner) for (a) any period during which the Assessments or Charges assessed to such Owner remain delinquent and unpaid, or (b) any reasonable period up to but not in excess of 60 days in connection with the enforcement of this Declaration, the

Rules, the Architectural Rules and/or any other instrument or rules or regulations; such period, however, to be subject to renewal for continuing violation.

**Section 5. Delegation of Use.** Any Owner may, in accordance with the Rules and the limitations therein contained (if any) and this Declaration delegate his right of enjoyment in the Association Land to the members of his immediate family, his tenants, or his guests or invitees. Nothing in this Section shall give any delegatee any greater rights than those held at any time by the Owner making such delegation.

**Section 6. Easements for Ingress and Egress.** There is hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, lanes and walks that may from time to time exist upon the Association Land. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas that from time to time may be paved and intended for such purposes. Such easements shall run in favor of and be for the benefit of the Owners and the occupants of the Lots and their guests, families, tenants and invitees.

## ARTICLE VIII

### ARCHITECTURAL CONTROL

**Section 1. Architectural Committee.** The Architectural Committee shall consist of three regular members and two alternate members. Declarant shall have the exclusive right, in its sole discretion, to appoint or remove members of the Architectural Committee until such time as the Declarant no longer owns any Lot. Following the expiration of such period, Architectural Committee members shall be appointed, and vacancies filled, by the Board. The appointees shall serve for a term of one year, or for such other term as the person or entity making each appointment may from time to time determine; provided, however, that each appointment made by the Declarant shall expire upon the appointment of a replacement by the Board upon expiration of the period during which the Declarant is entitled to make such appointments. The appointees need not be architects, engineers, directors, Owners, Residents, member of the Board or an officer of the Association and do not need to possess any special qualifications of any type except such as the Declarant or the Board may, in its discretion from time to time, require. The Architectural Committee shall hold meetings at such times and places and upon such notice as it may determine, a quorum for such meeting shall consist of two members, and the concurrence of two members shall be necessary for any decision of the Architectural Committee. An alternate member may participate at any meeting at which there is not a quorum of regular members present, may count toward a quorum by his (their) presence and shall have all of the



authority of a regular member while so participating. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. Members of the Architectural Committee shall not be entitled to compensation for their services.

**Section 2. Architectural Control.** The Architectural Committee shall have the responsibility and authority to control the architectural and aesthetic character of the Property. Except as otherwise expressly provided in this Declaration, no building, improvements, alterations, repairs, rebuilding, excavation, grading, landscaping or other work which in any way temporarily or permanently changes the visible appearance of any of the Property or any improvements located therefrom, from its natural or improved state existing on the date such portion of the Property was first subjected to this Declaration, shall be commenced, made or maintained without the prior written approval of the Architectural Committee. All subsequent such changes shall similarly be subject to the prior written approval of the Architectural Committee. No changes or deviations in or from the plans and specifications approved by the Architectural Committee for any such work shall be made without the prior written approval of the Architectural Committee. In determining whether to approve or disapprove plans and specifications, the Architectural Committee shall have the exclusive right to disapprove any such plans or specifications which, in its sole opinion, are not suitable or desirable with respect to the individual plan or specification, the particular or surrounding locations concerned, or the Property as a whole. In this regard, the Architectural Committee shall have the right to take into consideration the matters mentioned above, as well as the aesthetics of the proposed plans and specifications, the harmony thereof with the surroundings, their effect on the view of or from the adjacent or neighboring property and the effect on the Property as a whole. Approval is exclusively for the purpose of reviewing harmony and aesthetics of design and location and ensuring consistency with the overall development of the Property and neither the Architectural Committee, the Association, the Board, the Declarant nor any other person or entity shall have any liability in connection with the exercise of its discretion or the granting of any approval for any technical, structural or other defects in the plans or specifications so approved.

**Section 3. Architectural Rules.** The Architectural Committee may (but need not) from time to time adopt, amend and repeal rules (the "Architectural Rules"). The Architectural Rules shall serve as guidelines to be used by the Architectural Committee in rendering its decisions. Such Architectural Rules need not be the same for all portions of the Property and nothing shall preclude the Architectural Committee from deviating therefrom in its sole discretion.

**Section 4. Appeal to Board.** Any Owner or other Resident aggrieved by a decision of the Architectural Committee may appeal to the Board in accordance with procedures to be established by the Board (including fixing of time limits for appeals). In the event the decision of the Architectural Committee is overruled by the Board on any issue, the prior decision of the Architectural Committee shall be deemed modified to the extent specified by the Board and, for purposes of this Declaration, such decision, as so modified, shall thereafter be deemed the decision of the Architectural Committee.

**Section 5. Fee.** The Board may establish a reasonable processing fee to defer the costs in considering any requests for approvals submitted to the Board or the Architectural Committee, which fee shall be paid at the time the request for approval is submitted.

**Section 6. Waiver of Noncompliance.** Notwithstanding anything to the contrary contained herein, after the expiration of one (1) year from the date of filing with the Architectural Committee of a building permit duly issued by a proper municipal or other governmental authority for any improvement, said improvement shall, in favor of purchases and encumbrances in good faith and for value, be deemed to be in compliance with all provisions of this Article, unless notice of noncompliance, executed by or on behalf of the Architectural Committee or the Declarant shall appear of record in the Office of the County Recorder of Maricopa County, Arizona, or unless legal proceedings shall have been instituted to enforce compliance.

**Section 7. Liability.** Neither the Architectural Committee or any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; (c) the development of any Property; or (d) the execution and filing of any estoppel certificate, where or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Architectural Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee.

**Section 8. Time for Approval.** In the event said Board, or its designated committee, fails to approve or disapprove a complete application for approval within forty-five (45) days after receipt

of any fee payable pursuant to this Article, and all supporting or any additional information, plans and specifications requested by the Architectural Committee (whether or not submitted with the initial application), approval will not be required and this Article will be deemed to have been complied with by the Owner who had requested approval of such plans.

**Section 9. Exception.** Notwithstanding anything contained in this Declaration to the contrary, nothing in the Covenants shall be construed to subject the activities of the Declarant or the Board to the architectural control and review provisions of this Article or any Supplemental Declaration.

## ARTICLE IX

### MAINTENANCE

**Section 1. Common Area.** Subject to the provisions of Article XV hereof, the Association, or its duly appointed agents or representatives, shall maintain and otherwise manage all Common Area, including, without limitation, any landscaping, walkways, riding paths, parking areas, streets, recreational facilities, buildings, portions of the Arrowhead Ranch Water System, and all other structures or improvements located thereon. The Board shall use a reasonably high standard of care, as determined in its discretion, in providing for the improvement, repair, replacement, operation, management and maintenance of said property, so that the project will reflect a high pride of ownership. Any action necessary or appropriate to the claim, collection or application of insurance proceeds relating to said properties shall be authorized and taken by the Board or by its duly appointed agents or representatives. The Association may enter into cooperative agreements concerning the Common Area (including maintenance thereof) with other persons, entities or public bodies (including Declarant, its subsidiaries or affiliates).

**Section 2. Assessment of Costs of Maintenance and Repair of Common Area.** In the event that the need for maintenance or repair of Common Area (including improvements thereon) is caused through the willful or negligent act or omission of any Owner, his family, guests, tenants, invitees, delegates, agents or employees the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Owner and his Lot(s) are subject, shall be secured by the Assessment Lien and shall be due upon demand.

**Section 3. Improper Maintenance or Use of Other Portions of the Property.** In the event any portion of the Property other than Common Area, is so maintained as to detract in the opinion of the Board from the appearance or quality of the surrounding Lots or

other areas of the Property, or in the event any portion of the Property is being used in a manner which violates this Declaration, the Rules, the Architectural Rules or other instruments, rules or regulations applicable thereto as determined by the Board in its discretion, the Board may make a finding to this effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner (who shall be liable and responsible for the acts or omissions of his family, guests, tenants, invitees, delegates, agents or employees) that unless corrective action is taken within seven (7) days, the Board will cause such action to be taken at said Owner's cost. If at the expiration of said 7-day period of time the requisite corrective action has not been taken or, if taken, is not at any time being diligently prosecuted in the discretion of the Board, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become a part of the assessment to which the offending Owner and such Owner's Lot(s) are subject, shall be secured by the Assessment Lien and shall be due upon demand. Property owned by charitable or non-profit entities or public bodies shall not be exempt from such assessment. In the event, however, that such organization is a Subsidiary Association having assessment powers, the cost of such corrective action shall be prorated among the Owners who are subject to assessment by such Subsidiary Association and, as prorated, shall be added to and become a part of the assessment to which such Owners and such Owners' Lots are subject hereunder, shall be secured by the Assessment Lien and shall be due from the Owners and such subsidiary Association on demand.

**Section 4. Perimeter Walls.** No Perimeter wall will be removed, repaired, rebuilt, or altered in any way without the prior written approval and authorization of the Board. All interior and exterior Lot walls including, but not limited to, wrought iron walls or fences, shall be maintained, repaired and replaced by the respective Lot Owner. Notwithstanding the above, the Association shall be responsible only for maintenance of the perimeter wall's exterior surfaces when adjacent exclusively to Tracts A through H inclusive, of Coppercrest, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 396 of Maps, Page 8. The exception to the foregoing is the wrought iron in perimeter walls. All wrought iron will be the responsibility of the respective Lot Owner to maintain, repair and replace. All wrought iron must be maintained in a rust free condition and painted in the color specified by the Architectural Committee and Board. The Association shall have the right, after thirty (30) days notice to an Owner, to repair, paint, or otherwise maintain the wrought iron (and without notice in the event of an emergency) which the Association, acting through its Board, determines in its discretion is in violation of this provision. All costs and expenses, including reasonable attorneys' fees, incurred by the Association shall be borne by the Owner, and shall be paid to the Association on demand, plus

interest at the rate of twelve percent (12%) per annum from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in a like manner as assessments levied pursuant to Article VI of this Declaration.

## ARTICLE X

### TRANSFER OF ASSOCIATION LAND AND CHANGES IN USE

#### Section 1. Conveyance or Encumbrance of Association Land.

(A) Except as provided in Subsection (b) of this Section, the Association Land shall not be mortgaged, transferred, dedicated or encumbered without the prior written consent or affirmative vote of the Class B Member of the Association and the affirmative vote or written consent of the Owners representing at least two-thirds (2/3) of the votes entitled to be cast by Class A Members of the Association.

(B) Correct and exact legal descriptions of the Lakes (which may be annexed into the Association Land) are not currently available. As Lots adjacent to the Lakes are developed, surveys of those Lots may disclose that property which should have been part of a Lot adjoining the Lake has been conveyed to the Association as part of the Association Land. If the Board determines that a part of the Association Land should properly be part of a Lot, the Board, without a vote of the Members, may convey that part of the Association Land to the Owner of the appropriate Lake Lot.

(C) No part of Association Land that is part of The Arrowhead Ranch Water System shall be transferred, encumbered or conveyed without the prior written consent of Arrowhead Ranch Amenities.

Section 2. Change of Use of Association Land and Procedure Therefor. Upon adoption of a resolution by the Board stating that in the Board's opinion the then present use of a designated part of the Association Land is no longer in the best interest of the Owners, the Board shall have the power and right to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the buildings and other improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use (a) shall be for the benefit of the Owners, (b) shall be approved by the Architectural Committee, and (c) shall be consistent with any deed restrictions (or zoning regulations) restricting or limiting the use of the Association Land. Notwithstanding any other provision of this Declaration, the use of all or any portion of the Arrowhead Ranch Water System shall not be changed without the prior written consent of Arrowhead Ranch Amenities.

**Section 3. Eminent Domain.** The term "taking" as used in this Section shall mean condemnation by eminent domain or sale under threat of condemnation or in lieu thereof. The Board and such persons as the Board may designate shall represent the Association and all of the Owners in connection with the taking of all or any portion of the Association Land. The Board shall met in its sole discretion with respect to any awards offered or made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association and shall be used as the Board deems appropriate in its sole discretion, including, without limitation, by application to restoration and replacement of the Association Land and the improvements thereon, by retaining any award in the general funds of the Association or by distributing pro rata all or a portion thereof to the Owners based on their most recently assessed respective Annual Assessment obligations to the Association.

## ARTICLE XI

### TERM: AMENDMENTS: TERMINATIONS

**Section 1. Term: Method of Termination.** This Declaration shall be effective upon recordation hereof and, as amended and supplemented from time to time, this Declaration shall continue in full force for a period of twenty (20) years. From and after said date, this Declaration shall be automatically extended for successive periods of ten (10) years each. This Declaration may be terminated at any time if seventy-five (75%) of the votes entitled to be cast by the Voting Owners shall be cast in favor of termination at a meeting held for such purpose subject to City, County, State and Federal requirements and provided that the Common Area will remain maintained. If the necessary votes are obtained, the Board shall cause to be recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon this Declaration shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles. So long as the Declarant owns any Lot, any termination of this Declaration must be approved in writing by the Declarant in order to be effective.

**Section 2. Amendments.** Except for amendments made pursuant to Section 3 or 4 of this Article XI, this Declaration may only be amended by the written approval or the affirmative vote, or any combination thereof, of Voting Owners representing at least two-thirds (2/3) of the votes entitled to be cast by Voting Owners. Any amendment approved pursuant to this Section shall be signed by the President or Vice President of the Association and shall be recorded with the County Recorder of Maricopa County, Arizona.

Unless a later date is provided for in the amendment, the amendment shall be effective upon the recording of the amendment with the Country Recorder of Maricopa County, Arizona. So long as the Declarant owns any Lot, any amendment to the Declaration must be approved in writing by the Declarant in order to be effective.

**Section 3. Right of Amendment to Comply with Governmental Law.** Anything in this Declaration to the contrary notwithstanding, Declarant reserves the right, but without the obligation to do so, at any time and from time to time to amend all or any part of this Declaration to such an extent and with such language as maybe appropriate to comply with Federal, State or local governmental law or the rules, regulations or requirements of any governmental agency or body or any quasi-governmental agency or body. Any such amendment shall be effected by the recordation, by Declarant, of a Certificate specifying the source of the amendment and setting forth the amendatory language. Recordation of such a Certificate shall be deemed conclusive proof of the authority for such an amendment, and such Certificate, when recorded, shall be binding upon the Property and all persons having an interest in the property.

**Section 4. Right of Amendment to Comply with VA and FHA, etc.** Anything in this Declaration to the contrary notwithstanding, Declarant reserves the right, but without the obligation to do so, at any time and from time to time, to amend all or any part of this Declaration, to comply with the rules, regulations and requirements of the Veteran's Administration ("VA"), Federal Housing Administration ("FHA"), the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation and any other similar agency from which the Declarant or any other Developer of any portion of the Property has or will seek approval of the Property for purposes of financing or mortgage guarantees. So long as there is a Class B membership in the Association, the following actions shall require the prior written approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Areas and any amendment to this Declaration.

## ARTICLE XII

### **SUBJECTING ADDITIONAL LANDS TO THE DECLARATION: LAND USE CLASSIFICATIONS**

**Section 1. Requirements for Subjecting New Lands to the Declaration.** From time to time the size of the Property may be increased by Declarant adding, or permitting others to add, land thereto by Declarant recording with the County Recorder of Maricopa County, Arizona, a supplement to this Declaration (hereinafter called "Supplemental Declaration"). The Supplemental Declaration shall be signed and acknowledged by or on behalf of Declarant and

the owner of the additional land if other than Declarant. Each such Supplemental Declaration shall at least:

(A) describe the land being added as a part of the Property (including any additional Association Lands); and

(B) state that such land and the improvements thereon are expressly subjected to all of the Covenants set forth in this Declaration; and

(C) set forth the Units of Density for the land being added as a part of the Property; and

(D) set forth any supplemental covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements concerning such land.

Any such Supplemental Declaration shall be construed as a supplement to this Declaration and fully a part hereof for all purposes to the same extent as if all of the provisions thereof were set forth in this Declaration. The addition of such land to the Property, and such land's becoming subject hereto, shall be effective immediately upon recordation of such Supplemental Declaration or such other date as expressly set forth in such Supplemental Declaration.

**Section 2. Land Use Classifications.** The applicable Land Use Classifications and other matters including new or different uses therefor and including any number of subclassifications thereof for any special uses, may also be fixed by Declarant in the Supplemental Declaration which is recorded for land added to the Property. If no Land Use Classification is fixed therein, then land added to the Property shall be deemed to be classified for use according to its zoning classification at the time it is added to the Property. Subject to the other provisions of this Declaration and applicable zoning laws, the Land Use Classifications for Lots and Association Land established by a Supplemental Declaration (or zoning) shall be changed only with the consent of the Board or as specifically permitted by the Supplemental Declaration. All such changes also must be approved by the Architectural Committee and by Arrowhead Ranch Amenities if the land is subject to its control. Any authorized change shall be effective upon recording of a Notice of Change of Land Use Classification signed by the Owner of the affected Property, and on behalf of the Board and the Architectural Committee and Arrowhead Ranch Amenities, if its approval is required. The original contemplated Land Use Classifications are as follows:

(A) Single Family Residential Use, limited to single family Dwelling Units (other than residential rental apartments) and related resident amenities.



(B) Association Land and Arrowhead Ranch Water System Use, which may include Association Land.

(C) General Public Use, which may include, but not be limited to, fire stations, schools or parks.

(D) Multi-family Residential Use, including, but not limited to residential rental apartments and related amenities, time-share projects and resorts.

The additional characteristics of the above Land Use Classifications, and specific permitted and prohibited uses in such classifications, may be set forth in the applicable Supplemental Declaration.

The Property described on Exhibit A attached hereto shall be classified as Single Family Residential Use.

#### ARTICLE XIII

##### DECLARANT'S EASEMENT AND RIGHTS: RESTRICTIONS ON SUBDIVISION; UTILITY AND ACCESS EASEMENTS; COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS

Section 1. Declarant's Easement and Rights. There is hereby reserved to Declarant and its agents, successors and assigns, upon, across, in, over and under the Association Lands as the same may from time to time exist and such of the Property on which development and construction of Dwelling Units and other improvements and sales of such Dwelling Units and other improvements has not been completed, easements for access, improvement, use, development, construction, exhibit and sale purposes in connection with the improvement, development and sale of the Property. Declarant and its activities (including but not limited to construction of any improvement or performance, of any work) shall be exempt from the architectural control provisions of Article VIII hereof and of any Supplemental Declaration. Declarant specifically reserves the right to delegate, assign, share or grant from time to time all or any part of the rights, privileges or authority reserved to Declarant under this Declaration (including but not limited to the easements and rights contained in this Section) or all or any part of the exemptions granted to Declarant from provisions of this Declaration, whether by provision herein or otherwise (including but not limited to the exemption from architectural control and review, from restrictions on subsidiary associations, on further subdivision, property restrictions and rezoning or on utility installation or relocation), upon such conditions or subject to such restrictions as Declarant shall deem appropriate, to any one or more grantees, all or any of which may mutually hold such rights, privileges, authority or exemptions concurrently with and not to the exclusion of each other and Declarant.

**Section 2. Restriction on Further Subdivision. Property Restrictions and Rezoning.** No portion of the Property shall be further subdivided or separated into smaller Lots or parcels by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner without the prior written approval of the Board and the Architectural Committee, which approval must be evidenced on the plat or other instrument creating the subdivision, easement or other interest. This provision shall not, in any way, limit Declarant from subdividing, separating, conveying or transferring any portion of or interest in the Property at any time owned (legally or beneficially) by Declarant without the need for such approval. No further covenants, conditions, restrictions, assessments, charges, servitudes, liens (other than mortgages, deeds of trust or other instruments securing loans or other borrowing including purchase money debts), reservations or easements shall be recorded by any Owner or any other person (other than Declarant who shall not be subject hereto) against any portion of the Property without the provisions thereof having been first approved in writing by the Board and the Declarant. The Board or the Declarant may, among other things, require inclusion of an explicit right running in favor of the Association (but not obligation) to enforce such covenants, conditions, restrictions, assessments, charges, servitudes, liens or easements as a condition to granting such approval. Any covenants, conditions, restrictions, assessments, charges, servitudes, liens or easements recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any portion of the Property, and no applications for variances or use permits of any kind, shall be filed (other than by Declarant who shall not be subject hereto) unless the proposed change and the future use has been approved by the Board and the Architectural Committee and the proposed change and the future use otherwise complies with this Declaration.

**Section 3. Easement.** The Architectural Committee and the Association and their employees and agents shall have the right of access to all portions of the Property (including any improvements thereon) to inspect the same, to check for, remove or cure (including, without limitation, by performing in lieu of, but at the expense of, the defaulting party) violations therein under this Declaration, any Subsidiary Declaration, the Articles, the Bylaws, the Rules, the Architectural Rules, or any other rules or regulations adopted hereunder and to effect maintenance or repairs of improvements (including without limitation of any utility facilities) contained therein or elsewhere; provided however, that such right shall be exercised in a reasonable manner and at reasonable times and with prior written notification (unless emergency situations make written notification unreasonably burdensome under the circumstances) to the Owner of such portion of the Property.

**Section 4. Compliance With Governmental Requirements.** All construction, development and use of the Property shall be subject to and shall comply with all valid laws, ordinances, zoning requirements and other regulations of the City of Glendale, and of all other governmental bodies or entities having jurisdiction over the Property. Any violation of such laws, ordinances, zoning requirements or regulations shall be a violation of this Declaration.

#### ARTICLE XIV

##### USE RESTRICTIONS

Use restrictions for the Property are set forth in Exhibit B attached hereto and incorporated herein by this reference.

#### ARTICLE XV

##### ARROWHEAD RANCH WATER SYSTEM: LANDSCAPING

**Section 1. Ownership and Maintenance of Arrowhead Ranch Water System.** The Lakes, if any, are part of The Arrowhead Ranch Water System which shall be managed, maintained, repaired and replaced by Arrowhead Ranch Amenities, Inc., an Arizona nonprofit corporation ("Arrowhead Ranch Amenities"). The Association shall be a member of Arrowhead Ranch Amenities. The Association shall not consent to any change, modification or amendment to the governing documents of Arrowhead Ranch Amenities without (i) the affirmative vote or written approval, or any combination thereof, of Voting Owners casting more than fifty percent (50%) of the total votes entitled to be cast by Voting Owners, and (ii) the Declarant so long as the Declarant owns any Lot. Arrowhead Ranch Amenities shall have a non-exclusive easement over and across the Lots and the Association Land to the extent necessary for Arrowhead Ranch Amenities to perform its obligation to manage, maintain, repair and replace the Arrowhead Ranch Water System.

**Section 2. Encroachment Easement.** If any portion of the Association Land or The Arrowhead Ranch Water System or any improvement constructed thereon shall actually encroach upon any Lot, whether such encroachment results from the initial construction or from subsequent repair, reconstruction, settlement or shifting, there shall be deemed to be an easement in favor of the Association as Owner of the Association Land, and in favor of Arrowhead Ranch Amenities insofar as the rights and responsibilities of Arrowhead Ranch Amenities reasonably require such easement, to the extent of such encroachment in adjacent areas reasonably for ingress and egress to, and the operation, maintenance, repair and replacement of the encroachment in adjacent areas so long as the same shall exist. The Association shall at all

times have the right to maintain any Association Land now existing or hereafter constructed, regardless of any encroachment of any such Association Land upon any Lot.

**Section 3. Lake Maintenance Easement (if applicable).**

There is hereby created a perpetual easement appurtenant to and for the benefit of each Lake upon, over, across, in, under and through each Lake Lot for the purposes of ingress to and egress from each Lake and construction, operation, maintenance, repair and replacement of each lake in The Arrowhead Ranch Water System. Such easement shall run in favor of the Association and the Arrowhead Ranch Amenities. There is also hereby created a perpetual easement appurtenant to and for the benefit of the Association and Arrowhead Ranch Amenities upon, over, in, under, across and through each Lake Lot for the purpose of permitting the Association and Arrowhead Ranch Amenities to construct, maintain, use and operate fences, walls, landscaping and any other structure or facility of the Association or Arrowhead Ranch Amenities deems necessary or desirable to construct or maintain along the perimeter of the Lake or within fifteen feet (15') of the perimeter of the Lake (measured from the high water mark); subject, however, to the rights of Arrowhead Ranch Amenities and the Association as described in this Article. Except as otherwise required by Arrowhead Ranch Amenities or the Association, each Owner of a Lake Lot shall maintain the lake front so as not to permit erosion or damage to the lakeshore, lake liner or other lake facilities and so as to be aesthetically appealing, all as approved in writing by the Association as Arrowhead Ranch Amenities. No Owner of a Lake Lot shall, without the prior written approval of both the Association and Arrowhead Ranch Amenities make any excavations or construct or install any structures, foundations, footings, landscaping or other improvements of any type whatsoever within fifteen feet (15') of the perimeter of any Lake. All landscaping, drainage and other easements or portions thereof or interests therein shown on the plat of any portion of the Property may be conveyed by Declarant or the Owner thereof (with Declarant's prior written approval) to the Association and Arrowhead Ranch Amenities. There is hereby created a perpetual easement appurtenant to the Association Land in and in favor of the Association and Arrowhead Ranch Amenities upon, over, across, in, under and through each Lot for the purposes of ingress to and egress from and the construction, operation, maintenance, replacement and repair of the Arrowhead Ranch Water System, including construction of such new and additional portions of The Arrowhead Ranch Water System as may be at any future time required for the operation of any part of The Arrowhead Ranch Water System. Such easement shall be reasonably used so as to avoid undue or unreasonable damage to any improvements on the property or unreasonable interference with the use of any Lot for the uses intended by its Owner and allowed by the Declaration. The Association or Arrowhead Ranch Amenities shall reasonably repair and restore any damage to any Lot (and any improvements thereon

constructed or installed in conformance with the terms of this Declaration) arising from the use of such easement. All of the easements created in this Article XV shall be collectively and individually referred to in this Declaration as the "easements".

## ARTICLE XVI

### GENERAL

Section 1. Interpretation of the Covenants. The Association, through its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Board's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by the Covenants and provisions hereof.

Section 2. Severability. Wherever possible, each provision of the Declaration shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Declaration becomes or is deemed invalid, illegal or unenforceable under the applicable laws or regulations of any jurisdiction, or is stricken or materially amended by the action of any competent authority, or any change or modification of any such provision is required or made at the request of any competent authority, either such provision will be deemed amended to conform to applicable laws or regulations or such required or requested changes or modifications, or if it cannot be so amended, its invalidity shall not affect the validity or enforceability of any other provisions hereof.

Section 3. Rule Against Perpetuities. If any interest purported to be created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue until twenty-on (21) years after the death of the survivor of the now living descendants of the President of the United States on the date hereof.

Section 4. Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions modify any of the provisions of this Declaration.

Section 5. Declarant's Disclaimer of Representations. Anything to the contrary in this Declaration notwithstanding, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the Property or the Arrowhead Ranch can or will be carried out, or that any land now owned or hereafter acquired by it will be subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) will be committed to or developed

for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in elect.

**Section 6. References to the Covenants in Deeds.** Deeds to, and instruments affecting, any Lot or any part of the Property may incorporate the Covenants herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any Deed or instrument, each and all of the Covenants shall be binding upon the grantee-Owner or other person or entity claiming through any Deed or instrument and his heirs, executors, administrators, trustees, personal representatives, successors and assigns.

**Section 7. Successors and Assigns of Declarant.** Any reference in this Declaration to Declarant shall include any successors or assigns of Declarant's rights and powers hereunder by express assignment thereof and the recordation of an Assignment of Declarant's Rights.

**Section 8. Gender and Number: Entity.** Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular. The term "entity" as used herein shall include all forms of partnerships, joint ventures, corporations, trusts or other associations of any kind.

**Section 9. Captions and Titles.** All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only, and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

**Section 10. Notices.** Except as otherwise provided in this Declaration, any notice to any Owner under this Declaration shall be in writing, shall be effective on the earlier of (i) the date when received by such Owner, or (ii) the date which is three days after mailing (postage prepaid) to the last address of such Owner set forth in the books of the Association. The address of an Owner shall be at his Lot (or any of them if more than one) unless otherwise specified in writing to the Association. The Articles and Bylaws shall specify the permissible manner of giving notice for voting and all other Association matters for which the manner of giving notice is not prescribed in this Declaration.

**Section 11. Governing Law.** This Declaration shall be deemed to be made under, and shall be construed in accordance with and shall be governed by, the laws of the State of Arizona, and suit to enforce any provision hereof or to obtain any remedy with respect hereto may be brought in Superior Court, Maricopa County,

Arizona, and for this purpose each Owner and Resident by becoming such hereby expressly and irrevocably consents to the jurisdiction of said court.

**Section 12. Nonliability.** To the fullest extent permitted by law, neither the Declarant, the Association, the Board, the Architectural Committee, any other committees of the Association, any Owner, Member, owner, officer, director, employee, agent, owner or shareholder of any of the above, shall be liable to any person or entity for any damage, loss, cost, expense or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission or the like made in good faith, whether or not erroneous or negligent, which they reasonably believed to be within the scope of their respective duties and rights hereunder or in connection herewith and the Association shall indemnify and hold them harmless to the full extent permitted by law against the same.

**Section 13. No Absolute Liability.** No provision of this Declaration shall be interpreted or construed as imposing on Owners absolute liability for damage to the Common Area or the Lots. Owners shall only be responsible for damage to the Common Area or the Lots caused by the Owner's negligence or intentional acts.

## ARTICLE XVII

### DEFINITIONS

The following words, phrases or terms used in this Declaration shall have the following meanings:

**"Architectural Committee"** shall mean the committee of the Association to be created pursuant to Article VIII hereof.

**"Architectural Rules"** shall mean the rules adopted, amended or repealed from time to time by the Architectural Committee, pursuant to Article VIII, Section 3 of this Declaration.

**"Arrowhead Ranch"** shall mean that entire development known generally as the Arrowhead Ranch, or any portion thereof, including without limitation lands located in Sections 23, 24, 25 and 26, Township 4 North, Range 1 East, and Sections 19, 20, 29 and 30, Township 4 North, Range 2 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**"Arrowhead Ranch Water System"** shall mean any and all portions of the water delivery and drainage system for the Arrowhead Ranch, including without limitation, all Lakes, lake front, drainage and maintenance easements, and any and all equipment, facilities, pipelines, pumps, wells, liners, weirs, culverts, drain pipes,

land, interests in land, and other property of whatever nature, real or personal, related thereto.

**"Articles"** shall mean the Articles of Incorporation of the Association which are, or shall be, filed in the Office of the Corporation Commission of the State of Arizona, as the same may be amended or supplemented from time to time.

**"Assessable Property"** shall mean the entire Property described on Exhibit A and that certain real property within Section 30, T.4 N., R.2 E., of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, which may be annexed by a Supplemental Declaration, except such part or parts thereof as may from time to time constitute Exempt Property.

**"Assessments and Charges"** shall mean any assessment, fee, cost, fine or charge of any kind under the Declaration, the Association's constituent documents, or any rules hereunder or thereunder. Assessments and Charges shall include for all purposes of this Declaration all interest, late charges, fees, costs and attorney's fees, if any, as provided in Article II and any fines imposed pursuant to Article IV, Section 2(B).

**"Assessment Period"** means the period established by Article II, Section 7 of this Declaration.

**"Association"** shall mean the Arizona non-profit corporation to be organized by Declarant to administer and enforce the Covenants and to exercise the rights, powers duties set forth in this Declaration, and any successors to such corporation. Declarant hereby reserves the exclusive right to cause such Association to be incorporated, in name the Association "The Arrowhead Ranch Property Owners' Association Phase IV, Inc.", if that name is available for use when the Association is incorporated. Unless this Declaration or other applicable document specifically requires a vote of the Members, all approvals or other actions to be given or taken by the Association shall be valid if given or taken by the Board or its duly authorized agents, committees or representatives.

**"Association Land"** shall mean such part or parts of the Property or interests therein, together with all improvements thereon, as may be owned at any time hereafter by the Association, for as long as the Association is the Owner thereof, including without limitation, the Lakes, Arrowhead Ranch Water System, and the easements, within Section 30.

**"Board"** shall mean the Board of Directors of the Association.

**"Bylaws"** shall mean the Bylaws of the Association as the same may be amended or supplemented from time to time.

**"Common Area"** shall mean (i) the Association Land, (ii) all



real property, and the improvements situated thereon, located within dedicated right-of-ways with respect to which the City of Glendale has required the Association to maintain, including without limitation, the landscaped median located in the center of 59th Avenue as said median parallels the Property, and (iii) all land, and the improvements situated thereon, within the boundaries of a Lot with respect to which the Association in a recorded document signed by the Association agrees to maintain, repair and replace.

**"Common Expenses"** means expenditures made by or financial liabilities of the Association including, but not limited to, any amounts which the Association may become obligated to pay to Arrowhead Ranch Amenities.

**"Covenants"** shall mean the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements set forth herein as the same may be amended or supplemented (including by Supplemental Declaration or otherwise) from time to time.

**"Declarant"** shall mean Del Webb's Coventry Homes Construction Co., an Arizona corporation, including its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development and an Assignment of Declarant's Rights is recorded.

**"Declaration"** shall mean this Master Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements, as amended or supplemented (references to "this Declaration," to include any Supplemental Declaration or amendments) recorded from time to time.

**"Deed"** shall mean a deed or other instrument conveying the fee simple title in a Lot.

**"Developer"** means any person who purchases one or more Lots from the Declarant and who is engaged in bona fide residential land development and the marketing and sale of Dwelling Units to the public and who continues to engage in such business on a continuous, regular and permanent basis, within Section 30.

**"Dwelling Unit"** shall mean any portion of an improvement situated upon the Property designed and intended for use and occupancy as a single residence, including but not limited to, a rental apartment unit.

**"Exempt Property"** shall mean the following parts of the Property:

- (1) All land and Permanent Improvements owned by or dedicated to and accepted by the United

States of America, the State of Arizona, Maricopa County, the City of Glendale or any political subdivision of any such jurisdiction, for as long as any such entity or political subdivision is the Owner thereof or for so long as said dedication remains elective; and

(2) All Association Land; and

(3) The Arrowhead Ranch Water System.

**"Golf Course"** shall mean any property platted or used as a golf course fairway, rough or green.

**"Golf Course Lot"** shall mean any Lot which has a portion of its boundary adjacent to any portion of the Golf Course.

**"Land Use Classification"** shall be as defined in Article XII, Section 2 hereof.

**"Lake"** shall mean each lake platted or installed on the Property or annexed into the Property through the Supplemental Declaration; provided, however, that for purposes of the reservation and creation of the Easements, "Lake" shall also include each lake, any portion of which is adjacent to or borders upon any portion of the Property.

**"Lake Lot"** shall mean any Lot which has a portion of its boundary adjacent to any portion of any Lake.

**"Land Use Classification"** as defined as Article XII, Section 2.

**"Lot"** shall mean each portion of the Property (including associated Permanent Improvements) which is assessed as a unit by the appropriate official (presently the County Assessor of Maricopa County, Arizona) for the purpose of establishing real property taxes or any Common Area assessed fractionally with other portions of the Property. No Lot need be shown as a Lot on a plat or subdivision map to constitute a Lot for purposes hereof.

**"Member"** shall mean any person, corporation, partnership, joint venture or other legal entity, including Declarant and Developer(s), who is a member of the Association, based upon ownership of a Lot.

**"Mortgage"** shall mean any recorded instrument as security for the performance of an obligation, including, without limitation, a deed of trust. **"Mortgagee"** shall mean a lending institution or a person secured by a mortgage, including a Trustee and Beneficiary under a deed of trust, and **"Mortgagor"** shall mean the party

executing a mortgage, including a Trustor under a deed of trust. "First Mortgage" shall mean a mortgage which is the first and most senior of all mortgages upon the same Property.

"Owner" shall mean the one or more persons or entities, including Declarant, who alone or collectively are the record owner of the fee simple interest in any Lot, regardless of whether such Owner actually resides on any part of the Property; provided that the purchaser rather than the seller under a recorded agreement for sale shall be deemed the Owner; and provided further that neither the trustee under a deed of trust securing indebtedness or other persons or entities holding an interest in a Lot merely as security for performance of an obligation, nor a trustee under trust agreement for Declarant as beneficiary shall be deemed the Owner of the Lots subject thereto, but rather the beneficial owner(s) of such Lots, and unless otherwise agreed, the second beneficiary of a trust with multiple beneficiaries, shall for all purposes be deemed the Owner thereof. Where more than one person or entity constitute an Owner, all such persons and entities shall be jointly and severally liable hereunder.

"Parcel Assessment" means an Assessment levied against less than all of the Lots pursuant to Article II, Section 4 of this Declaration.

"Parcel Assessment Area" shall mean any part of the Property designated in a Supplemental Declaration as an area which is to be maintained, repaired and replaced by the Association but which is for the sole or primary benefit of the Owners of less than all of the Lots.

"Permanent Improvements" shall mean all buildings, improvements and other matters and things which, as of the time of determination, are taxable by the State of Arizona or a political subdivision thereof (including but not limited to Maricopa County) as real property under applicable law.

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

"Property" shall mean:

(1) At the time of recordation this Declaration, the land described on Exhibit A of the Declaration and the land annexed by the Supplemental Declaration; including all Permanent Improvements thereon;

(2) From and after the addition of land pursuant to Article XII hereof, such new land, including the Permanent Improvements thereon; and

(3) Each new Permanent Improvement, located on the land

described in subparagraph (1) or added pursuant to subparagraph (2) above.

**"Public Purchaser"** shall mean any person or other legal entity who becomes an Owner of any Lot within the Property, other than the Declarant or Developer.

**"Resident"** shall mean:

(1) Each purchaser under a contract of sale covering any part of the Assessable Property, regardless of whether the contract is recorded; and each tenant renting or leasing any part of the Assessable Property; and

(2) Each Owner; and

(3) Members of the immediate family and the servants of each Owner, and of each purchaser and tenant referred to in subparagraph (1), actually living in the same household with such Owner or such purchaser or tenant.

Subject to such rules and regulations as the Association may hereafter specify (including the imposition of special non-resident fees for use of Association Land if the Association shall so direct), the term "Resident" also may include the employees, agents, guests, licensees or invitee of any such Owner, purchaser or tenant, if and to the extent the Board in its absolute discretion by resolution so directs.

**"Rules"** shall be as defined in Article V, Section 3 hereof.

**"Special Use Fees"** shall mean special fees which an Owner, Resident or any other person is obligated by this Declaration, any Supplemental or Subsidiary Declaration, any rule or regulation promulgated hereunder or thereunder, his Deed or by contract or other agreement to pay to the Association for use of or access to any amenity or improvement or for the granting of a right or privilege.

**"Subsidiary Association"** shall mean any corporation, association or other entity which is organized or exists pursuant to or for the purpose of administering and enforcing provisions of a Subsidiary Declaration or other instrument applicable to all or any portion of the Property.

**"Subsidiary Declaration"** shall mean any covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations or easements (including but not limited to a Supplemental Declaration) applicable to any portion of the Property which is recorded after this Declaration or which is otherwise subject hereto.

"Supplemental Declaration" shall mean a written instrument recorded pursuant to Article XII, Section 1 hereof.

"Unit(s) of Density" shall mean: (a) the number of Lots shown on the Coppercrest plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 396 of Maps, Page 8; and (b) the number of Lots designated on a recorded plat and subject to this Declaration by means of a Supplemental Declaration. Absent a recorded plat, the Units of Density shall mean the number of Lots that may be located on the Property pursuant to the most restrictive of the applicable zoning, plat, this Declaration (including governing Land Use Classification), agreement or other restriction.

"Visible From Neighboring Property" means, with respect to any given object, that such object is or would be visible to a person six feet (6') tall, standing at ground level on any part of such neighboring property.

"Voting Owners" means the Owners who are entitled to cast one or more votes in the Association.

All other defined terms shall have the meanings given where such term is defined herein.

IN WITNESS WHEREOF, the undersigned has hereunto caused its name to be signed and the same to be attested by the signature of its duly authorized officer as of the day and year first above written.

DECLARANT:

DEL WEBB'S COVENTRY HOMES  
CONSTRUCTION CO., an Arizona  
corporation

By: 

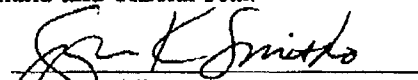
Scott J. Peterson

Its: Vice President

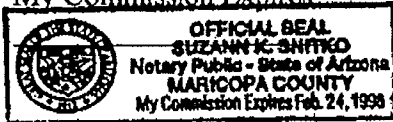
STATE OF ARIZONA       )  
                                  )ss.  
County of Maricopa       )

On this, the 24<sup>th</sup> day of August, 1995, before me the undersigned Notary Public, personally appeared Scott J. Peterson, who acknowledged himself to be the Vice President of Del Webb's Coventry Homes Construction Co., an Arizona corporation, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

  
Notary Public

My Commission Expires:



**EXHIBIT A****LEGAL DESCRIPTION**

Lots 1 through 192 inclusive and Tracts A through I inclusive, of Coppercrest, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 396 of Maps, Page 8.

EXCEPT all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature and description, together with all uranium, thorium or any other material which is or may be determined by the laws of the United States or of this state, or decisions of court, to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, and the exclusive right thereto, on, in or under the above described lands, shall be and remain and are hereby reserved in an retained by the State of Arizona.

**EXHIBIT B**  
**USE RESTRICTIONS**

**Section 1. Use of Property.** Except as any portion of the Property is expressly exempted therefrom by the Supplemental Declaration adding said portion to the Property, the use of any portion of the Property is hereby restricted as follows:

a. **Alterations and Improvements.** No alterations, improvements, repairs, painting, excavation or other work which in any way alters the exterior appearance of any Lot or the improvements located thereon from its natural or improved state existing on the date such portion of the Property was first subjected to this Declaration, shall be made or done without the prior written approval of the Architectural Committee, except as otherwise expressly provided in the Declaration.

b. **Animals.** No animals of any kind shall be raised, bred or kept upon the Property without the prior written approval and authorization of the Board and then only in accordance with such Rules, if any, as may be promulgated, amended or supplemented from time to time by the Board in its absolute discretion (which Rules may apply to and restrict existing situations at the time they are adopted); provided, however, that dogs, cats, birds or fish may be kept as household pets without such approval but subject to any Rules so long as, in the discretionary judgment of the Board, such pet is not, or does not become, a nuisance, threat or otherwise objectionable to other Owners or Residents.

c. **Antennae.** No exterior television, radio, satellite dish or other antenna or receiver of any type shall be placed, allowed or maintained on any Lot in a manner so as to be Visible From Neighboring Property.

d. **Basketball Goals and Flag Poles.** No flag poles, basketball goals or basketball standards or backboards may be constructed, erected, installed or maintained on any Lot so as to be Visible From Neighboring Property without the prior written approval of the Architectural Committee.

e. **Commercial Vehicles.** No vehicle utilized for commercial or business purposes or similar equipment or vehicle may be parked or maintained on any Lot so as to be Visible From Neighboring Property, the Common Areas, or streets.

f. **Declarant's Exemption.** Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant and/or Developer(s), or their duly authorized representatives, of improvements or signs necessary or convenient to the development or sale of Lots and the Property.



g. Drainage Easement. There is hereby created a blanket easement for drainage of ground and surface water on, over and across the Property which shall be appurtenant to, burden or benefit each Lot. No Owner shall obstruct, divert, alter or interfere in any way with the drainage of ground and surface water upon, across or over any portion of the Property. Each Owner shall, at its own expense, maintain the drainage ways and channels on its Lot in proper condition free from obstruction. The Association shall have the right, after ten (10) days notice to an Owner, except in the case of emergency (where the Association shall have immediate right of access), to repair or otherwise maintain the drainage way or channel on said Owner's Lot, which the Association, acting through its Board, determines has not been maintained by the Owner in compliance with this provision. All costs and expenses including reasonable attorneys' fees incurred by the Association shall be borne by the Owner, and shall be paid to the Association upon demand, plus interest at an annual rate of twelve percent (12%) from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in like manner as assessments levied pursuant to Article II of this Declaration.

h. Encroachments. No tree, shrub, or plant of any kind or any other improvement or thing shall be allowed to overhang or otherwise encroach upon a roadway, sidewalk or any other way or the Golf Course without the prior written approval and authorization of the Board.

i. Landscaping. Each Owner of a Lot shall keep all landscaping, including but not limited to all shrubs, trees, hedges, ground coverings and plantings of every kind, located on its Lot or in a public right-of-way adjacent to such Lot neatly trimmed, properly cultivated, and free of trash, weeds and other unsightly material. In addition to the above, *all front yard landscape and public right-of-way areas adjacent to the respective Lot must be installed within ninety (90) days from the close of escrow and must be in accordance with all applicable City of Glendale Ordinances and/or community Architectural Design Guidelines whichever is more restrictive.*

j. Maintenance and Plantings of Common Areas. The Association shall maintain the landscaping, ground cover and plantings on all Common Areas, and for this purpose, Declarant or Developer and the Association shall have the right, at any time, to plant, replace, maintain and cultivate landscaping, shrubs, trees, ground cover and plantings on any Common Area and on such easements over an Owner's Lot as may have been granted to Declarant or Developer or the Association, regardless of whether any Owner or the Association is responsible hereunder for maintenance of such

areas. No Owner shall remove, alter, injure or interfere in any way with any landscaping, shrubs, trees, ground cover or plantings placed upon any Common Area by Declarant or Developer or the Association without the written consent of the Association having first been obtained. The Association or its authorized representative shall have the right to enter upon any Lot, at any reasonable time, for the purpose of planting, replacing, maintaining or cultivating such landscaping, shrubs, trees, ground cover or plantings in the Common Area and shall not be liable for trespass for so doing.

k. Maintenance; Misuse. All Lots and any improvements thereon (including without limitation all building exteriors and the visible interior of all garages and other improvements) shall at all times be maintained by the Owners thereof in a neat, clean and sightly condition. All damage to a Lot or improvements thereon shall be promptly repaired. No Lot shall be maintained or utilized in such manner as to present an unsightly appearance (including but not limited to the presence of weeds or other unsightly growth or clothes drying within public view), or as to unreasonably offend the morales of or as to constitute a nuisance or unreasonable annoyance to, or as to endanger the health or safety of any Owner or Resident, and no noxious or otherwise offensive condition or activity nor any nuisance shall be allowed to exist or be conducted thereon. All determinations under this Section shall be made by the Board in its sole discretion.

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

m. Model Homes. The provisions of this Declaration and of Supplemental or Subsidiary Declarations which prohibit nonresidential use of Lots and regulate parking of vehicles shall not prohibit the construction and maintenance of model homes by persons engaged in the construction of residential dwellings and parking incidental to the visiting of such model homes so long as the location of such model homes and the opening and closing hours are approved by the Board or its designee, and the construction, operation and maintenance of such model homes otherwise comply with all of the provisions of this Declaration. The Board may also permit Lots and other areas to be used for parking in connection with the showing of model homes so long as such parking and parking areas are in compliance with the ordinances of the City of Glendale. Any homes constructed as model homes cease to be used as model homes at any time the Owner thereof is not actively engaged in the construction and sale of single family residences at the Arrowhead Ranch, and no home shall be used as a model home for the sale of homes not located on Arrowhead Ranch. Any garage of a Dwelling Unit which is used as a sales office by a Developer must