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(AMENDED AND RESTATED)

**MASTER DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
VIEWPOINT NORTH**

**When Recorded Return To:**

Augustus H. Shaw IV  
Shaw & Lines, LLC  
4523 E. Broadway Road  
Phoenix, AZ 85040

SECOND AMENDED AND RESTATED  
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
VIEWPOINT NORTH

This Second Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Viewpoint North (the "Declaration") is made this 6<sup>TH</sup> day of FEB., ~~2017~~ <sup>2018</sup> by the Viewpoint North Homeowners Association Inc., an Arizona nonprofit corporation (the "Association").

**WITNESSETH**

**WHEREAS**, that certain Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Viewpoint North was recorded at Book 3874, Page 176, Records of Yavapai County, Arizona, as amended by that certain Amendment recorded at Book 4271, Page 84, recording number 3866017, Records of Yavapai County, AZ, as further amended by that certain Amendment recorded at Book 4269, Page 602, recording number 3864206, Records of Yavapai County, AZ, as further amended by that certain Amendment recorded at recording number 2015-0009371, Records of Yavapai County, AZ (the "CC&Rs"); and

**WHEREAS**, pursuant to the CC&Rs, the CC&Rs may be amended by a written instrument signed by not less than sixty-seven percent (67%) of the total votes in the Association; and

**WHEREAS**, Viewpoint North I, L.L.C., an Arizona limited liability company, as Declarant under the CC&Rs (the "Declarant"), currently possesses more than sixty-seven percent (67%) of the total votes in the Association; and

**WHEREAS**, this Declaration has been approved by the Declarant, who holds more than not less than sixty-seven percent (67%) of the total votes in the Association.

**NOW, THEREFORE**, the CC&Rs are of no further effect and are hereby deleted, amended and restated by the Declaration as follows:

## ARTICLE I

### DEFINITIONS

Unless otherwise defined, the following words and phrases when used in this Declaration shall have the meanings set forth in this Article.

1.1 "Additional Property" means any other real Property, together with the improvements situated thereon, which is subsequently subject to this Declaration by Amendment thereto:

1.2 "Architectural Committee" means the committee of the Association to be created pursuant to Section 5.11 of this Declaration.

1.3 "Architectural Committee Rules" means the rules and guidelines adopted by the Architectural Committee pursuant to Section 5.11 of this Declaration, as amended or supplemented from time to time.

1.4 "Articles" means the Articles of Incorporation of the Association, as amended from time to time.

1.5 "Assessment" means an Assessment as described in Section 6.2.

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

1.7 "Association" means the Arizona nonprofit corporation to be organized by Declarant to administer and enforce the Project Documents and to exercise the rights, powers and duties set forth therein, and its successors and assigns. Declarant intends to incorporate the Association under the name of "Viewpoint North Homeowners Association," but if such name is not available, Declarant may incorporate the Association under such other name as the Declarant deems appropriate.

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

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

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

1.11 "Declarant" means Viewpoint North I, L.L.C., and any Person to whom it may expressly assign any or all of its rights under this Declaration by a Recorded instrument.

1.12 "Declaration" means this Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions, as amended from time to time.

1.13 "Developer" means Viewpoint North I, L.L.C. who is engaged in land development and the marketing and sale of such Lots to the public.

1.14 "Development Plan" means the Development Plan for the Project as approved by the Town of Prescott Valley, Arizona, as the plan may be amended from time to time.

1.15 "Exempt Property" means (i) all land arid Improvements owned by, or dedicated to and accepted by the United States, State of Arizona, the County of Yavapai, Arizona, or any political subdivision thereof so long as such entity or political subdivision is the Owner thereof or for so long as said dedication remains effective.

1.16 "First Mortgage" means any mortgage or deed of mist on a Lot which has priority over all other mortgages and deeds of trust on the same Lot.

1.17 "First Mortgagee" means the holder or beneficiary of any First Mortgage.

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

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

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

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

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

1.23 "Owner" means the record Owner, including Declarant or Developer, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Lot. Owner shall not include Persons having an interest in a Lot merely as security for the performance of an obligation or a Lessee. Owner shall include a Purchaser under a contract for the conveyance of real Property subject to the provisions of AR S. § 33-741 et. seq. Owner shall not include a Purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to the executory contract pending the closing of a sale or purchase transaction. In the case of Lots the fee simple title to which is

vested in a trustee pursuant to Arizona Revised Statutes, Section 33-801, et. seq., the Trustor shall be deemed to be the Owner. In the case of the Lots, the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the trust Property shall be deemed to be the Owner.

1.24 "Person" means a natural-Person, corporation, business trust, estate, trust, partnership, Association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

1.25 "Plat" means any subdivision Plat or condominium Plat recorded against all of the Project, and all amendments, supplements and corrections thereto.

1.26 "Property" or "Project" means the real Property described on Exhibit A attached to this Declaration together with all Improvements located thereon, and all real Property and all Improvements situated thereon which is annexed and subject to this Declaration pursuant to **Section 2.2** of this Declaration.

1.27 "Project Documents" means this Declaration, the Articles, the Bylaws, the Association Rules and the Architectural Committee Rules & Guidelines.

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

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

1.30 "Resident" means each natural Person occupying or residing in any Lot.

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

1.32 "Special Assessment" means any Assessment levied and assessed pursuant to Article 6 of this Declaration.

1.33 "Visible From Neighboring Property" means, with respect to any given object, that such object is or would be visible to a Person six feet tall, standing at ground level on any part of any adjoining Lot.

## ARTICLE 2

### PLAN OF DEVELOPMENT

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

#### 2.2 Annexation of Additional Property.

2.2.1 The Declarant shall have the right to annex and subject to this Declaration any Additional Property without the consent of any other Owner or Person. The annexation of any Additional Property shall be effected by the Declarant setting forth a Declaration of Annexation on future plats of the Viewpoint with the legal description of the Additional Property being annexed, stating that the Additional Property is thereby annexed and subjected to the Declaration.

2.2.2 The Property annexed by the Declarant pursuant to this Section 2.2 need not be contiguous with other Property in the Project.

2.3 Withdrawal of Property. The Declarant shall have the right to withdraw Property from the Project without the consent of any other Owner or Person. The withdrawal of all or any portion of the Project shall be affected by the Declarant Recording with the County Recorder of Yavapai County, Arizona, a Declaration of Withdrawal setting forth the legal description of the Property being withdrawn. Upon the withdrawal of any Property from the Project pursuant to this Section, such Property shall no longer be subject to any of the covenants, conditions and restrictions set forth in this Declaration.

2.4 Disclaimer of Representations. Declarant makes no representations or warranties whatsoever that: (i) the Project will be completed in accordance with the plans for the Project as they exist on the date this Declaration is recorded; (ii) any Property subject to this Declaration will be committed, to or developed for a particular use or for any use; or (iii) the use of any Property subject to this Declaration will not be changed in the future. Nothing contained in this Declaration and nothing which may be represented to a Purchaser by real estate brokers or salesmen representing the Declarant or any Developer shall be deemed to create any implied covenants, servitudes or restrictions with respect to the use of any Property subject to this Declaration or any Additional Property.

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

### ARTICLE 3 RESTRICTIONS

3.1 Land Use. Lots within the Project shall be used exclusively for single family detached housing pursuant to the zoning.

3.2 Architectural Control.

3.2.1 No excavation or grading work shall be performed on any Lot without the prior written approval of the Architectural Committee.

3.2.2 No Improvement which would be Visible From Neighboring Property shall be constructed or installed on any Lot without the prior written approval of the Architectural Committee. No addition, alteration, repair, change or other work which in any way alters the exterior appearance, including but without limitation, the exterior color scheme, of any part of a Lot or any Improvements located thereon which are Visible From Neighboring Property, from their appearance on the date this Declaration is Recorded shall be made or done without the prior written approval of the Architectural Committee. Any Owner desiring approval of the Architectural Committee for the construction, installation, addition, alteration, repair, change or replacement of any Improvement which is or would be Visible From Neighboring Property shall submit to the Architectural Committee a written request for approval specifying in detail the nature of the change requested. The Architectural Committee may charge a fee for review of submittals. In the event that the Architectural Committee fails to approve or disapprove an application for approval within thirty (30) days after the application was submitted, together with any fee required by the Architectural Committee, all supporting information; plans and specifications which are required by the Architectural Committee, this section will be deemed to have been complied with and approval will not be required. The

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

3.2.3 The Architectural Committee may disapprove plans and specifications for any construction, installation, addition, alteration, repair, change or other work which must be approved by the Architectural Committee pursuant to this Section if the Architectural Committee determines, in its sole and absolute discretion, that: (i) the proposed construction, installation, addition, alteration, repair, change or other work would violate any provision of this Declaration; (ii) the proposed construction, installation, addition, alteration, repair, change or other work does not comply with any Architectural Committee Rule; (iii) the proposed construction, installation, addition, alteration, repair, change or other work is not in harmony with existing Improvements in the Project or with Improvements previously approved by the Architectural Committee but not yet constructed; (iv) the proposed construction, installation, addition, alteration, repair, change or other work is not aesthetically acceptable; (v) the proposed construction, installation, addition, alteration, repair, change or other work would be detrimental to or adversely affect the appearance of the Project; or (vi) the proposed construction, installation, addition, alteration, repair, change or other work is otherwise not in accord with the general plan of development for the Project.

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

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

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

3.2.7 The provisions of this Section do not apply to, and approval of the Architectural Committee shall not be required for the construction, erection, installation, addition, alteration, repair, change or replacement of any Improvements made by or on behalf of the Declarant.

3.2.8 The approval required of the Architectural Committee pursuant to this Section shall be in addition to, and not in lieu of, any approvals or permits which may be required under any federal, state or local law, statute, ordinance, rule or regulation. The approval by the Architectural Committee of any construction, installation, addition, alteration, change or other work pursuant to this Section shall not be deemed a waiver of the Architectural Committee's right to withhold approval of any similar construction, installation, addition, alteration, change or other work subsequently submitted for approval.



3.2.9 The approval by the Architectural Committee of any construction, installation, addition, alteration, repair, change or other work pursuant to this Section shall not be deemed a warranty or representation by the Architectural Committee as to the quality of such construction, installation, addition, alteration, repair, change or other work or that such construction, installation, addition, alteration, repair, change or other work conforms to any applicable building codes or other federal, state or local law, statute, ordinance, rule or regulation.

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

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

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

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

3.7 Mineral Exploration. No Lot shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any land, gravel, earth or any earth substance of any kind, except in excavation for approved construction.

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

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

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

3.11 Overhead Encroachments. No tree, shrub, or planting of any kind on any Lot shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way or other area from ground level to a height of eight (8) feet.

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

be used as a hospital or sanitarium or other place for hire for the care or entertainment of Persons suffering from any disease or disability or in need of rehabilitation whatsoever.

3.12.1 No Single Family residence shall be erected, altered, placed, or permitted to remain on any Lot other than one (1) detached Single Family Dwelling not to exceed two (2) stories in height, nor thirty-five (35) feet in height with an attached two (2) car minimum garage.

3.13 Animals. No animals, including livestock, swine or poultry of any kind, shall be raised, bred or kept on any Lot, except a reasonable number of dogs, cats, or other generally recognized household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purposes. Dogs shall be kept within structures or fences or on secured leashes. No animal shall be allowed to make an unreasonable amount of noise or a nuisance. No unsanitary conditions or odors shall exist. Upon the written request of any Owner, the Association shall conclusively determine, in its sole and absolute discretion whether, for the purposes of this Section, a particular animal, bird, fowl, poultry, or livestock is a nuisance or, making an unreasonable amount of noise. Any decision rendered by the Association shall be enforceable in the same manner as other restrictions set forth in this Declaration.

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

3.15 Signs. No signs whatsoever which are Visible From Neighboring Property shall be erected or maintained on any Lot except:

3.15.1 Signs required by legal proceedings.

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

3.15.3 All other signs allowed pursuant to A.R.S. ¶ 33-1808.

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

approved by the Architectural Committee and the proposed use otherwise complies with this Declaration.

3.17 Trucks, Trailers, Campers and Boats. No mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreation vehicle, boat, boat trailer, utility trailer or similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot or any street so as to be Visible From Neighboring Property except those recreational vehicles and equipment for a period not to exceed 72 hours for the purpose of loading or unloading.

3.18 Storage of Vehicles. Motor vehicles of any kind (or motor vehicle equipment) which does not exceed thirty-two (32) feet in length, may be stored, repaired, constructed or reconstructed in a rear yard of a Lot only if the rear yard of the Lot is fully fenced.

3.19 Motor Vehicles. No motor vehicle shall be constructed, repaired, serviced or rebuilt on any Lot except within an enclosed garage. No vehicle of any type which is abandoned or inoperable shall be stored or kept on any Lot within the subdivision, or street within the subdivision. No outside machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot, except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other Improvements such as machinery or equipment which the Developer may require for the operation and maintenance of the Development. Lawn and garden equipment may be kept on Owner's Lot provided they are housed and stored in a building or not-visible from any neighboring Lot or street when not in use. Motorcycles, mopeds, mini-bikes, trail-bikes or other motor vehicles shall not be operated on the Property except on paved streets if the vehicle is equipped and licensed to be street legal.

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

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

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

3.23 Garages, Driveways and Out-buildings. Garages situated on Lots shall be used only for the parking of vehicles and shall not be used or converted for living or recreational activities. All structures must have a minimum of a double car attached garage. No garage or other building shall be erected on any of the Lots until a Dwelling house shall be erected. Garage doors must remain closed at all times except when in active use. One out-building is allowed per Lot and must be approved by the Architectural Committee; provided, however, said out-building shall not exceed the fifteen (15)-foot height of a standard garage.

3.24 Rooftop Air Conditioners Prohibited. No air conditioning, evaporative cooling units or appurtenant equipment may be mounted, installed or maintained on the roof of any Improvement or other building on a Lot.

3.25 Fences. All perimeter fencing or walls shall be cement block and shall not be constructed on any Lot until plans have been submitted to and approved, in writing, by the Architectural Control Committee. All other fences and walls to be constructed on a Lot may not be constructed on said Lot until plans have been submitted to and approved, in writing, by the Architectural Control Committee.

3.26 Violation of Law or Insurance. No Owner shall permit anything to be done or kept in or upon his Lot which will result in the cancellation, or increase in premium, or reduction in coverage of insurance maintained by any Owner or which would be in violation of any law.

3.27 Lights. No spotlights, flood lights, or other high intensity lighting shall be placed or utilized upon any Lot which in any manner will allow light to be directed or reflected unreasonably on any other Lot.

3.28 Mailboxes. All mailboxes on any Lot shall be approved in writing by the Architectural Committee prior to installation on any Lot in the Association.

3.29 Landscaping and Care of Properties. A front yard landscaping plan must be submitted to the Architectural Committee for review within three (3) months of construction completion and installed within three (3) months of approval of said plans. In no case shall the front yard remain un-landscaped for a period longer than seven (7) months of occupancy.

3.30 Height and Size Limits. No Single Family structure on any Lot shall have an elevation greater than thirty-five (35) feet from the ground upon which it sits (or the natural elevation of the ground where the structure is located if the level of the ground has been raised

by fill or other means from its natural state). No Dwelling Unit on any Lot shall contain fewer than twelve hundred (1200) square feet of livable space.

3.31 Window & Covering. No window of any house shall at any time be covered with aluminum foil, bed sheets, newspapers, or any other like materials. Only proper drapes, blinds or shutters will be allowed. Prior to installation of any reflective materials for use on any building on the Property, approval and consent must be obtained from the Architectural Committee.

3.32 Fire/Building Repair. In the event that any home or structure is destroyed or partially destroyed by fire, act of God, or as the result of any other act or thing, the damage must be repaired and the improvement reconstructed or razed within twelve months after such damage. No dangerous condition shall be allowed to exist on any Lot due to fire, act of God or other act or thing, but shall immediately be corrected so as to not cause harm to another Person.

3.33 Rights of Builders. Notwithstanding any other provision of this Declaration to the contrary, a Builder shall have the right to maintain model homes on Lots owned by the Builder and to construct and maintain parking areas for the purpose of accommodating Persons visiting such model homes provided: (i) the plans and specifications for the model homes have been approved in writing by the Architectural Committee and approved by the local governmental agencies; (ii) the location and design of the parking areas incidental to such model homes have been approved by the Architectural Committee and the local governmental agencies; (iii) the opening and closing hours for such model homes have been approved in writing by the Architectural Committee; and (iv) the construction, operation and maintenance of such model homes otherwise complies with all the provisions of this Declaration. Any home constructed as a model home shall cease to be used as a model home at any time the Builder is not actually engaged in the construction and sale of residences in the Project, and no residence shall be used as a model home for the sale of Lots not located in the Project. Notwithstanding any other provision of this Declaration to the contrary, a Builder may store supplies of brick, flock, lumber and other building materials on the Lot owned by the Builder or Builder's employer provided such materials are kept in areas approved in writing by the Architectural Committee which may require the screening of such storage areas. A Builder constructing Improvements on Lots shall keep the Lots in a clean, safe and neat condition free of weeds, trash and debris.

3.34 Developers Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Developer, or its duly authorized agents, of structures, Improvement or signs necessary or convenient to the development and sale or leasing of all or any portion(s) of the Property.

3.35 Rental and Leasing. No more than five percent (5%) of the Lots of the Association may be leased at any given time to a Third Party. Any Owner engaged in leasing or subleasing activities as of the date of this Amendment shall be allowed to continue leasing or subleasing activities until said Lot is sold or conveyed to a Third Party. Any Lot Owner engaged in leasing or subleasing activity must, upon the sale or conveyance of said Lot, notify any potential buyer or person taking title that no more than five percent (5%) of the Lots of the

Association may be leased at any given time to a Third Party. For the purpose of this provision, "Third Party" shall be defined as any person who is not an Owner as that term is defined in the Declaration.

Owners shall also submit a "tenant registration form" to the Association for each existing tenant/lease, in a form prepared for the Association by the Board of Directors, no less than thirty (30) days prior to executing or extending a lease. The Association may charge a reasonable review and processing fee concerning the above. Additionally, any Owner wishing to lease his Lot must submit to the Association a security deposit in an amount to be determined by the Board of Directors (the "Security Deposit"). The Security Deposit shall be debited should any tenant of the Owner or the Owner fail to abide by the provisions of this Declaration.

Additionally, if an Owner fails to provide the "tenant registration form" to the Association as outlined above, the Association may impose reasonable monetary penalties as determined by the Board, in addition to other remedies available under the Declaration and Arizona law. The Association may also suspend an Owner's ability to Lease his Lot for a period of twelve (12) months. This rental restriction provision takes precedence over any inconsistent language in the Articles or Bylaws or Rules of the Association.

No owner may lease a Lot for fewer than or greater than twelve (12) months.

Owners may apply for a hearing before the Board for temporary or special variances in case of hardship. Permission to lease will be granted at the sole discretion of the Board of Directors.

#### ARTICLE 4

##### EASEMENTS

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

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

appropriate. In the event of any conflict or inconsistency between this Section and any other provision of this Declaration, this Section shall control.

4.3 Declarant's Easements. Declarant shall have the right and an easement on and over the Lots owned by Declarant for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Project. The Declarant shall have the right and an easement upon, over, and through the Lots as may be reasonably necessary for the purpose of discharging its obligations or exercising the rights granted to or reserved by the Declarant by this Declaration. In the event of any conflict or inconsistency between this Section and any other provision of this Declaration, this Section shall control.

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

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

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

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

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

## ARTICLE 5

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

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

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



5.3 The Association Rules. The Board may, from time to time, and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations pertaining to: (i) minimum standards for any maintenance of Lots; or (ii) the health, safety or welfare of the Owners, Lessees and Residents. In the event of any conflict or inconsistency between the provisions of this Declaration and the Association rules, the provisions of this Declaration shall prevail. The Association rules shall be enforceable in the same manner and to the same extent as the covenants, conditions and restrictions set forth in this Declaration.

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

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

5.6 Identity of Members. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot which is Assessable Property shall automatically, upon becoming the Owner thereof; be a Member of the Association and shall remain a Member of the Association until such time as his Ownership ceases for any reason, at which time his Membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to each Lot which is Assessable Property and may not be separately assigned, transferred or conveyed.

5.7 Allocation of Memberships. Each such Owner, including Declarant, shall have one Membership for each Lot owned by the Member.

5.8 Voting: The Association shall have two classes of voting Memberships:

Class A. Class A Memberships shall be all Memberships, except the Class B Membership held by the Declarant, and each Owner shall be entitled to one vote for each Class A Membership held by such Owner.

Class B. There shall be one Class B Membership which shall be held by Declarant. The Declarant, as the holder of the Class B Membership shall be entitled to three (3) votes for each Membership held by the Declarant. The Class B Membership

shall cease and be converted to Class A Memberships, on the basis of the number of Lots actually owned by the Declarant, on the happening of the first of the following events:

- a. When the total votes of the Class A Memberships required to pay a full Assessment equals 90% of the total votes in the Association; or
- b. At any time by written notice to the Association that Declarant wishes to convert all Class B Memberships to Class A Memberships.

5.9 Voting Procedures. No change in the Ownership of a Lot shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that a Lot is owned by more than one Person or entity and such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast by a Class A Member for a particular Lot, none of the votes shall be counted and all of the votes shall be deemed void.

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

5.11 Architectural Committee. The Association shall have an Architectural Committee to perform the functions of the Architectural Committee set forth in this Declaration. The Architectural Committee shall be a Committee of the Board. The Architectural Committee shall consist of such numbers of regular Members and alternate Members as may be provided for in the Bylaws. So long as the Declarant is a Member of the Association, the Declarant shall have the sole right to appoint and remove the Members of the Architectural Committee. As such time as the Declarant no longer is a Member of the Association, the Members of the Architectural Committee shall be appointed by the Board. The Declarant may at such time voluntarily surrender its right to appoint and remove the Members of the Architectural Committee, and in that event the Declarant may require, for as long as the Declarant is a Member of the Association, that specified actions of the Architectural Committee, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. The Architectural Committee may promulgate

architectural guidelines, standards and procedures to be used in rendering its decisions. Such guidelines, standards and procedures, may include, without limitation, provisions regarding: (i) the size of residences; (ii) architectural design, with particular regard to the harmony of the design with the surrounding structures and typography; (iii) placement of residences and other buildings; (iv) landscaping design, content and conformance with the character of the Property and permitted and prohibited plants; (v) requirements concerning exterior color schemes, exterior finishes and materials; (vi) signage; and (vii) perimeter and screen wall design and appearance. The decision of the Architectural Committee shall be final on all matters submitted to it pursuant to this Declaration.

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

## ARTICLE 6

### COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

6.1 Creation of Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it, hereby covenants and agrees, and each Owner, other than the Declarant, by becoming the Owner of a Lot, is deemed to covenant and agree to pay Assessments to the Association in accordance with this Declaration. All Assessments shall be established and collected as provided in this Declaration. The Assessments, together with interest, late charges, monetary penalties and all costs, including but not limited to attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments or otherwise enforcing this Declaration, whether or not suit is filed, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. All Assessments, together with interest, late charges, monetary penalties and all costs, including but not limited to attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments or otherwise enforcing this Declaration, whether or not suit is filed, shall also be the personal obligation of the Person who was the Owner of the Lot at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly assumed by them.

#### 6.2 Annual Assessments.

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

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

6.3 Rate of Assessment. The amount of the Annual Assessment for each Lot other than Lots owned by the Declarant shall be the amount obtained by dividing the total budget of the Association for the Assessment Period for which the Annual Assessment is being levied by the Board. The Annual Assessment for Lots owned by the Declarant shall be an amount equal to twenty-five percent (25%) of the Annual Assessment levied against Lots owned by Persons other than the Declarant. If the Declarant sells a Lot during the period to which an Annual Assessment is attributable, the Annual Assessment shall be prorated and charged to Purchaser acquiring the Lot on the basis of the number of days remaining in the Assessment Period. The Annual Assessment may be neither increased by more than twenty percent (20%) above, nor decreased by more than twenty percent (20%) below the Annual Assessment for the previous year, without the vote or written consent of a majority of Owners.

6.4 Obligation of Declarant for Deficiencies. So long as there is a Class B membership in the Association, Declarant shall pay and contribute to the Association, within thirty (30) days after the end of each fiscal year of the Association, or at such other times as may be requested by the Board or reasonably required to operate the Association, such funds as may be necessary, when added to the Annual Assessments levied by the Association, to pay all Association expenses as they become due.

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

6.6 Commencement Date of Assessment Obligation. All Lots described on Exhibit A to this Declaration shall be subject to assessment upon the conveyance of the first Lot to a Purchaser. All Lots annexed pursuant to Section 2.2 of this Declaration shall be subject to Assessment as of the date the Amendment annexing such Lots is recorded or a later date if provided for therein.

6.7 Rules Regarding Billing and Collection Procedures. Annual Assessments shall be collected on an annual basis or such other basis as may be selected by the Board. The Board shall have the right to adopt rules and regulations setting forth procedures for the purpose of making Assessments and for the billing and collection of the Assessments provided that the

procedures are not inconsistent with the provisions of this Declaration and are not inconsistent with the applicable Arizona laws. The failure of the Association to send a bill to a Member shall not relieve any Member of his liability for any Assessment or charge under this Declaration, but the Assessment Lien therefore shall not be foreclosed until the Member has been given not less than thirty (30) days written notice prior to such foreclosure that the Assessment or any installation thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment. The Association shall be under no duty to refund any payments received by it even though the ownership of a Lot changes during an Assessment Period but successor Owners of Lots shall be given credit for prepayments, on a prorated basis, made by prior Owners.

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

6.8.1 In the event any Assessment, or any installment of an Assessment, is not paid within fifteen (15) days after the Assessment, or the installment of the Assessment, first became due, the Board of Directors may establish a late fee to be charged to the Owner who has failed to pay said Assessment, or the installment of an Assessment, which late fee shall not exceed the greater of fifteen dollars (\$15) or ten percent (10%) of said delinquent Assessment, or installment of an Assessment.

6.8.2 The Association shall have a lien on each Lot for: (i) all Assessments levied against the Lot, (ii) all lien fees, late charges and other fees and charges assessed against the Lot or payable by the Owner of the Lot; (iii) all fines or monetary penalties levied against the Owner of the Lot; (iv) all attorney fees, court costs, title report fees, costs and fees charged by any collection agency either to Association or to an Owner and any other fees or cost incurred by the Association in attempting to collect Assessments or other amounts due to the Association by the Owner of a Lot; (v) any amounts payable to the Association pursuant to Section 7.2 of this Declaration; and (vi) any other amounts payable to the Association pursuant to the Project Documents. The Recording of this Declaration constitutes record notice and perfection of the Assessment Lien. The Association may, at its option, Record a Notice of Lien setting forth the name of the delinquent Owner as shown in the records of the Association, the legal description or street address of the Lot against which the Notice of Lien is Recorded and the amount claimed to be past due as of the date of the Recording of the Notice, including interest, lien recording fees and reasonable attorneys' fees. Before Recording any Notice of Lien against a Lot, the Association shall make a written demand to the defaulting Owner for payment of the delinquent Assessments, together with interest, late charges and reasonable attorneys' fees, if any. The demand shall state the date amount of the delinquency. Each default shall constitute a separate basis for a demand but any number of defaults may be included within the single demand. If the delinquency is not paid within ten (10) days after delivery of the demand, the Association may proceed with Recording a Notice of Lien against the Lot.

6.8.3 The Assessment Lien shall have priority over all liens or claims except for: (i) tax liens for real property taxes; (ii) assessments in favor of any municipal or other governmental body; (iii) the lien of any First Mortgage; and (iv) the liens and encumbrances recorded before the recordation of this Declaration. Any First Mortgage or any other Person

acquiring title or coming into possession of a Lot through foreclosure of the First Mortgage, purchase at a foreclosure sale or trustee's sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title free and clear of any claims for unpaid assessments and charges against the Lot which became payable prior to the acquisition of such Lot by the First Mortgagee or other Person. Any Assessments and charges against the Lot which accrue prior to such sale or transfer shall remain the obligation of the defaulting Owner of the Lot.

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

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

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

6.10 Purposes for which Association's Funds May be Used. The Association shall apply all funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of the Project and the Owners and Residents by devoting said funds and property, among other things to the services, projects, programs, studies, and systems, within or without the Project, which may be necessary, desirable or beneficial to the general common interests of the Project, the Owners and the Residents. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit: social interaction among Members and Residents, recreation, liability insurance, communications, education, transportation, health, public services, safety and indemnification of officers and directors of the Association. The Association may also expend its funds under the laws of the State of Arizona or such municipality's charter.

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

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

6.13 Transfer Fee. Each Purchaser of a Lot shall pay to the Association immediately upon becoming the Owner of the Lot a transfer fee in such amount as is established from time to time by the Board. In connection with the sale of any Lot, the Association shall comply with the requirements of A.R.S. § 33-1806, if applicable.

## ARTICLE 7

### MAINTENANCE

7.1 Lots. Each Owner of a Lot shall be responsible for maintaining, repairing or replacing any and all buildings or structures which shall fall into disrepair and each such building and structure shall be at all times kept in good condition and adequately painted or otherwise finished. In the event a building or structure is damaged or destroyed, then such building or structure shall be repaired or rebuilt or demolished to a presentable and safe condition in the time prescribed by the Architectural Committee.

7.1.1 All Lots upon which no building or structures, landscaping or Improvements have been constructed shall be kept free of rubbish and litter, weeds and grass, or kept mown so as to present an attractive appearance. During prolonged absence, the Owner of a Lot shall arrange for the care of the Lot during such absence.

7.1.2 All grass, hedges, shrubs, vines, and plants of any type on an improved Lot shall be mowed, trimmed and cut at regular intervals so as to be maintained in a neat and attractive manner. Trees, shrubs, vines, plants and grass which die shall be promptly removed and replaced with living foliage of like land, unless different foliage is approved in writing by the Architectural Committee. No yard equipment, wood piles or storage areas may be maintained so as to be Visible From Neighboring Property or streets.

7.2 Improper Maintenance and Use of Lots. In the event any portion of any Lot is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Project which are substantially affected thereby or related thereto, or in the event any portion of a Lot is being used in a manner which violates this Declaration; or in the event the Owner of any Lot is failing to perform any of its obligations under the Project Documents, the Board may make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within thirty (30) days, the Board may cause such action to be taken at said Owner's cost, subject to the requirements of A.R.S. § 33-2002, if applicable. If at the expiration of said thirty (30) day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be paid by such Owner to the Association upon demand, or payment of such amounts shall be secured by an Assessment Lien.

7.3 Party Fences. Party fences shall consist of any fencing between contiguous Lots. The rights and duties of Owners with respect to party fences between Lots shall be as follows:

7.3.1 The Owners of contiguous Lots who have a party fence shall both equally have the right to use such fence, providing that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner.

7.3.2 In the event that any party fence is damaged or destroyed through the act of any Owner of any Occupants, agents or guest of the Owner, or Members of the Owner's family (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to rebuild and repair the party fence without cost to the Owner of the adjoining Lot in a timely manner.

7.3.3 In the event any party fence is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining Owner, Occupant, agent or guest of the Owner or the Owner's family, it shall be the obligation of all Owners whose Lots adjoin such party fence to rebuild and repair such fence at their joint expense, such expense to be allocated among the Owners in accordance with the frontage of their Lots on the party fence. Notwithstanding the above, the initial cost of constructing the party fence shall be borne by the Lot Owner who first desires to construct the same unless the adjoining Lot Owner agrees to participate in the cost thereof at that time.

7.3.4 Notwithstanding anything to the contrary herein, there shall be no impairment of the structural integrity of any party fence without the prior consent of all Owners of any interest therein, whether by way of easement, fee or otherwise.

7.4 Maintenance of Walls other than Boundary Walls.

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



7.4.2 Any wall which is placed on the boundary line between a Lot and public right-of-way shall be maintained, repaired and replaced by the Association except that the Owner of the Lot shall be responsible for the repair and replacement of the surface of the wall which faces the Lot.

## ARTICLE 8

### GENERAL PROVISIONS

8.1 Enforcement. The Association or any Owner shall have the right to enforce the Project Documents in any manner provided for in the Project Documents or by law or in equity, including, but not limited to, and action to obtain an injunction to compel removal of any Improvements constructed in violation of this Declaration or to otherwise compel compliance with the Project Documents.

The failure of the Association or an Owner to take enforcement action with respect to a violation of the Project Documents shall not constitute or be deemed a waiver of the right of the Association or any Owner to enforce the Project Documents in the future.

If any enforcement action is filed by the Association to enforce the provisions of the Project Documents or in any other manner arising out of the Project Documents or the operations of the Association, the Association shall be entitled to recover from the other party all attorney fees incurred by the Association, whether or not suit is filed. In addition to any other rights or remedies available to the Association pursuant to the Project Documents or at law or in equity, the Association shall have the power to levy reasonable fines against an Owner for a violation of the Project Documents by the Owner, a Lessee of the Owner or by any Resident of the Owner's residential Lot, subject to the terms of A.R.S. § 33-1803.

8.2 Term: Method of Termination. This Declaration shall continue in full force and effect for a term of twenty (20) years from the date this Declaration is recorded. After which time, this Declaration shall be automatically extended for successive periods of ten (10) years each. This Declaration may be terminated at any time if such termination is approved by the affirmative vote or written consent, or any combination thereof; of the Owners representing ninety percent (90%) or more of the votes in each class of Membership and by the holders of First Mortgages on Lots, the Owners of which have seventy-five percent (75%) or more of the votes in the Association. If the necessary votes and consents are obtained, the Board shall cause to be recorded with the County Recorder of Yavapai 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.

8.3 Amendments.

8.3.1 Except for amendments made pursuant to Subsection 2.2, 2.3, 8.3.2 or 8.3.5 of this Declaration, the Declaration may only be amended by the written approval or the

affirmative vote, or any combination thereof, of Owners holding not less than sixty-seven percent (67%) of the total votes in the Association.

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

8.3.3 So long as the Declarant is a Member of the Association, any amendment to this Declaration must be approved in writing by the Declarant

8.3.4 The Declarant, so long as the Declarant is a Member of the Association, and thereafter, the Board, may amend this Declaration without the consent of any other Owner to correct any error or inconsistency in the Declaration.

8.3.5 So long as the Declarant holds more than ninety percent (90%) of the votes in the Association, any amendment to this Declaration shall be signed by Declarant and recorded in the records of Yavapai County, Arizona. At any time the Declarant does not, hold at least ninety percent (90%) of the votes in the Association, any amendment approved pursuant to Subsection 8.3.1 of this Declaration or by the Board pursuant to Subsection 8.3.2 or 8.3.5 of this Declaration shall be signed by the President or Vice President of the Association and shall be recorded with the County Recorder of Yavapai County, Arizona, and any such amendment shall certify that the amendment has been approved as required by this Section. Any amendment made by the Declarant pursuant to Subsection 8.3.2 or 8.3.5 of this Declaration shall be signed by the Declarant and recorded with the County Recorder of Yavapai County, Arizona. Unless a later effective date is provided for in the amendment, any amendment to this Declaration shall be effective upon the Recording of the amendment.

#### 8.4 Rights of First Mortgagees.

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

8.4.2 No Lot shall be partitioned or subdivided without the prior written approval of the holder of any First Mortgage on such Lot.

8.4.3 Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each First Mortgage owned) or Owners (other than the sponsor, Developer or builder) of at least two-thirds (2/3) of the Lots have given their prior written approval, the Association

shall not be entitled to change, waive or abandon any scheme or regulation, or enforcement thereof; pertaining to the architectural design or the exterior appearance of Lots.

8.4.4 No provision of this Declaration gives or shall be construed as giving any Owner or other Person priority over any rights of a First Mortgagee of a Lot in the case of the distribution to such Owner of insurance proceeds.

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

8.4.6 In the event of any conflict or inconsistency between the provisions of this Section and any other provision of the Project Documents, the provisions of this Section shall prevail; provided, however, that in the event of any conflict or inconsistency between the provisions of this Section and any other provisions of the Project Documents with respect to the number or percentage of Owners or First Mortgagees that must consent to: (i) an amendment of the Declaration, Articles or Bylaws, (ii) a termination of the Project, or (iii) certain actions of the Association as specified in Subsection 8.4.3 of this Declaration, the provision requiring the consent of the greatest number or percentage of Owners or First Mortgagees shall prevail; provided, however, that the Declarant, so long as the Declarant owns any Lot, and thereafter, the Board, without the consent of any Owner or First Mortgagee being required, shall have the right to amend this Declaration, the Articles or the Bylaws in order to conform this Declaration, the Articles or the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required or requested by the Declarant or the Board.

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

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

8.7 Rule Against Perpetuities. If any interest purported to be created by this Declaration is challenged under the Rule against Perpetuities or any related rule, the interest

shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be: (i) those which would be used in determining the validity of the challenged interest, plus (ii) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

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

8.9 Notice of Violation. The Association shall have the right to record a written notice of a violation by any Owner, Lessee or Resident of any restriction or other provision of the Project Documents. The notice shall be executed by an officer of the Association and shall contain substantially the following information: (i) the name of the Owner, Lessee, or Resident violating, or responsible for the violation of the Project Documents; (ii) the legal description of the Lot against which the notice is being Recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being Recorded by the Association pursuant to this Declaration; and (v) a statement of the specific steps which must be taken by the Owner, Lessee or Resident to cure the violation. Recordation of a notice of violation shall serve as notice to the Owner, Lessee and Resident, and any subsequent Purchaser of the Lot that there is such a violation. If, after the recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the violation referred to in the notice has been cured, the Association shall Record a notice of compliance which shall state the legal description of the Lot against which the notice of violation was Recorded, end the Recording data of the notice of violation, and shall state that the violation referred to in the notice of violation has been cured or that the violation did not exist. Failure by the Association to Record a notice of violation shall not constitute a waiver of any such violation, constitute any evidence that no violation exists with respect to a particular Lot or Parcel, or constitute a waiver of any right of the Association to enforce the Project Documents.

8.10 Laws, Ordinances and Regulations.

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

8.10.2 Any violation of any state, municipal, or local law, ordinance or regulation pertaining to the Ownership, occupation or use of any Property within the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

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

8.12 Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neutered genders; words used in the neutered 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.

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

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

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

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

8.17 References to VA and FHA. In various places throughout the Project Documents, references are made to the Department of Veterans Affairs ("VA") and the Fair Housing Administration ("FHA") and, in particular, to various consents or approvals required of either or both of such agencies. Such references are included so as to cause the Project Documents to meet certain requirements of such agencies should Declarant request approval of the Project by either or both of those agencies. However, Declarant shall have no obligation to request approval of the Project by either or both of such agencies. Unless and until the VA or the FHA have approved the Project as acceptable for insured guaranteed loans and at any time during which such approval, once given, has been revoked, withdrawn, canceled or suspended and there are no outstanding mortgages or deeds of trust recorded against a Lot to secure

payment of an insured or guaranteed loan by either of such agencies, all references herein to required approvals or consents of such agencies shall be deemed null and void and of no force and effect.

**IN WITNESS WHEREOF**, Viewpoint North Homeowners Association Inc., an Arizona nonprofit corporation, has executed this Amendment as of the day and year first above written.

**VIEWPOINT NORTH HOMEOWNERS ASSOCIATION INC.**

an Arizona nonprofit corporation

By: William Bell

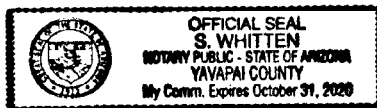
Its: President

State of Arizona                    )  
  ) ss.  
County of Yavapai                )

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 6<sup>th</sup> day of February, 2018, by William Bell, the President of Viewpoint North Homeowners Association Inc., an Arizona nonprofit corporation, for an on behalf of the corporation.

S. Whitten  
Notary Public

My Commission Expires: 10/31/2020





**EXHIBIT A**

**LEGAL DESCRIPTION**

REFERENCED FROM THE VIEWPOINT-UNIT NINE AMENDED FINAL PLAT recorded in Book 43 of Maps, pages 25-27. PLANNED AREA DEVELOPMENT IN THE TOWN OF PRESCOTT VALLEY, BEING A SUBDIVISION OF A PORTION OF PARCELS 9, 10, AND 12 OF AMENDED POQUITO VALLEY AS RECORDED IN BOOK 8 OF LAND SURVEYS PAGES 1-7, LOCATED WITHIN SECTION 26, T15N, R1, G, & S.R.M.

66 LOTS 20.5 ACRES

**IN ADDITION TO**

All land pursuant to that certain Declaration of Annexation to the Declaration of Covenants, Conditions and Restrictions recorded at Book 3931, Page 975, recording number 3466379, records of Yavapai County, AZ.

All land pursuant to that certain Declaration of Annexation to the Declaration of Covenants, Conditions and Restrictions recorded at Book 4390, Page 553, recording number 4006841, records of Yavapai County, AZ.

All land pursuant to that certain Declaration of Annexation to the Declaration of Covenants, Conditions and Restrictions recorded at Book 3920, Page 989, recording number 345237, records of Yavapai County, AZ.

All land pursuant to that certain Declaration of Annexation to the Declaration of Covenants, Conditions and Restrictions recorded at Book 4198, Page 916, recording number 3779893, records of Yavapai County, AZ.

All land pursuant to that certain Amended and Restated Declaration of Annexation to the Declaration of Covenants, Conditions and Restrictions recorded at Book 4330, Page 457, recording number 3936806, records of Yavapai County, AZ.