




Cartilio Ranch

THIS DECLARATION OF COVENANTS, CONDITIQNS, RESTRICTIONS AND 19 EAspiENTS ("the Declaration") is made this gits, RESTRICTIONS AND $19 \frac{q 2}{}$ by chi construction company, an arizona corporation,
("Declarant").

RECITALS
A. Declarant is the owner and developer of certain real property in the city of chandler, county of Maricopa state of Arizona, which is more particulariy described as follows:

Lote $\frac{1}{1}$ through 244 inciusive, of Carrillo Ranch , more particularly described in the records of Maricopa County, Arizona, Book 348, of Maps, Page 49 ("the Property").
B. Declarant desires that a nomprofit corporation, Carrillo Ranch Homeowners' Association, be formed for the purpose of the efficient preservation of the values and amenities of carrilio Ranch and to which will be delegated certain powers of adminiatering and maintaining the common Area, enforcing this Declaration, and collecting and ainburaing tho assessments created herein.
C. Declarant desires and intends that the Property shall be held, sold and conveyed, subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding on and for the benefit of all parties having or acquiring any right, title or interest in the Proparty or any part thereof, their heirs, successors or assigns, and Ehall inure to the benefit of each owner thereof and their heirs, representatives, successors and assigns.

NOW, THEREFORE, DECLARANT hereby declares, covenants and

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agrees as follows:
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## ARTICLE I DEFINITIONS

Saction 1,1 "Architectural Comittee" shall mean the comittee created pureuant to Article VII hereof.

Gection 1.2 "Axchitectural Committee Rules" shall mean the rules, if any, adopted by the Architectural Committee.
gection 1,3 "Articles" shall mean the Articles of Incorporation of the Association, as such may be amended from time to timat.
gection let "Association" shall mean and refer to CARRILLo RANCH HOMEOWNERS' ASSOCIATION, an Arizona non-profit corporation, its successors and assigns.

Section 1.5 "Board" shall mean the Board of Directors of the Association.

Section 1.6 "Bylaws" shall mean the Bylaws of the Association, as such may be amended from time to time.


#### Abstract

gection 1.2 "Common Area" and "Common Areas" shall mean all areas (Including the improvements thereon) owned or to be owned by the Association for the common use and enjoyment of owners and/or residents of Carrilio Ranch. The common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

Tracts ---=- A through $F$ Section 1.8 "Declarant" shall mean the Declarant designated above or any person or entity who has succeeded to Declarant's righte and powers hereunder as to all or a portion of the proparty and to whom Declarant's rights hereunder have been assigned by


 recorded instrument.Section 3.9 "Declaration" shall mean the covenants, conditions, 3 restrictions and easements set forth in this document, as such may be amended from time to time.
gection 1.10 "Lot" shall mean any numbered parcel of real property shown upon any recorded plat of the Property together with any improvements constructed thereon, with the exception of the areas designated as lettered tracts and areas dedicated to the public. Each Lot shall be a separate freehold estate.

Gection_1.11 "Member" shall mean any person, corporation, partnership, joint venture or other legal entity that is a member of the Association.



Section 1.12 "Owner (s)" shall mean the record owner, whether one or more persons or entities, of equitable or beneficial title in fee simple (or legal title if same have merged) of any tot "Owner" shall include the purchaser under ave merged) of any Lot. sale of any Lot. The foregoing under a recorded agreement for entities who hold an interest in any does not include persons or pertormance of an obligation. Except as stated otherity for the pertormance of an obligation. Except as stated otherwise herein shall include Declarant so long as or tenant of a Lot. "owner" the Property.
gection 1.13
personal, or mixed property" or "Properties" shall mean the real, which is gubject to this Deciaration. or located on Exhibit "An
fection 1.14 "Rules" shall mean the rulea and regulation adopted by the Board, if any, time, as more further deacribed in Section 4 amended from time to

Section 1,15 "Visible from Neighboring Property" shall mean with respeat to any given object, visible to a person six feet tall, standing on any part of neighboring property at an elevation no greater than ground level where the object is located (assuming the ground level where the person is standing is at the same height as the ground level where the object is located).

ARTICLE II
PRORERTY RIGHTS
Section 2.1 Owners' Easements of Enjoyment. ha have a non-exclusive right and easement of enjoyment in and with the tommon Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:
(a) the right of the admission and of of the Association to charge reasonable storage facilities or areas the use of any recreational or storage facilities or areas situated upon the common Area;
(b) the Fight of the Association to suspend the voting rights and right to use of the common Area by an owner for any period during which any aemessment against his lot remains unpaid;
(c) the right of the Association to suspend the right to use the Common Area for a period not to exceed sixty (60) days for ( 60 ) infraction of the Association Rules and consecutive elxty
(60) day periods for so long as the infraction continues;
(d) the right of the Association to limit the number of guests of members using the common Areas;
(e) the right of the Association to change and regulate the ube of Common Areas in accordance with section 4.6 ;

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(f) The right of the Association to change the size, shape or location of the Common Areas, to exchange the Common Areas for other property or interests which become common Areas, and in abandon, dedicate or 4.7 hereof; and accordance with section 4.7 hereof: and
(g) the right of the Association, in accordance with its rticles and Bylaws, to borrow money for the purpose of improving the Cowmon Areas and facilities, and in aidion 8.2 (e) to mortgage said property in accordance fin faid property ehall hereof. The rights of such mortgagee in bal hereunder. be subordinate to the rights of the owners horeunder
Section 2.2 Delegation of Jee. Any owner may delegate, in accordance with and subject to any restrictions contained in the Bylaws, his right of enjoyment to the Common Area and guests.
(a) An ownex's right and easement of enjoyment in and to the common Area shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot and such right and easement of enjoyment in and to the comon Area shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any owner's Lot, notwithstanance, that the description in the irser may not refer to the transfer, a
(b) Except as authorized by Section 2.1 (f), the Comon Area shall remain undivided and no action for partition or division of any part thereof shall be permitted.
(c) Each Owner, his tenant, the occupant of his Lot, and his guests may ume the Common Area in common with the owners, invitees, tenants, and occupants of it is intended without accordance with the purposes for whicul right of guch others hindering or encroaching upon thaciation Rules established by and in acc the Board.

Title to common Area, Declarant covenants that
Section 2.4 Title to common to the common Area to the it will convey fee simplencumbrances except current real and Association, free of taxes and other easements, conditions, personal property taxtions then of record. The conveyance shall peservations and restrictions then of ceconveyance of the first lot be made to the Association prior to t from the Declarant to any purchaser.

ARTICLE III
PROPERTY SUBJECT TO THIS DECLARATION


#### Abstract

Bection 3.1 General Declaration. Because it is intended that the Property as presentiy subdivided shall be sold and conveyed to purchasers subject to this Declaration, Declarant hereby declares that the Property is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration, as amended from time to time; provided, however, property which is not part of a lot and which is dedicated or transferred to a pubiic authority or utility pursuant to section 4.7 shall not be subject to this Deciaration while owned by the public authority or utility. This Deciaration is deciared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of the Property and is established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property. This Declaration shall run with all of the groperty for all purposes and ahall be binding upon and inure to the benefit of Declarant, the Association, all owners, Members and their respective successors in interest.


ARTICLE IV
THE ASSOCIATION
Gection 4.1 The Association. The Asspciation is an Arizona non-profit corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articlog nor Bylaws shall, for any reason, be amended or otherwise modified or interpreted so as to be inconsistent with this Declaration.

Section 4,2 The Board of Directors and officers. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Board may elect or appoint, in accordance with the Articles and the Bylaws.

Section 4.3 Powers and Duties of the Association. The Aseaciation shall have such rights, duties and powers as set forth herein and in the Articles and Bylaws.
gection 4.4 Rules. By action of the Board, the Association may, from time to time and subject to the provisions of this Deciaration, adopt, amend, and repeal rules and regulationa to be known as the "Rules". The Rules may restrict and govern the ubs of the Property 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. The Rules shall have the same force and effect as if they were set forth herein and were a part of the Declaration and may be recorded.


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Bection 4,5 Personal Liability, The Articles shall epecify such ilmitations on the personal llability of members of the Board
as shall be applicable.

Upon Rection 4,6 Procedure for Change of Use of Common Area. then current use of a resolution by the Board stating that the longer in the best of a specified part of the common Area is no longer in the best interests of the owners and Members, and (b) the approval of such resolution by a majority of the votes of each class of Members who are voting in person or by proxy at a meeting right to change such purpose, the Board shall have the power and right to change the use thereof (and in connection therewith to take whatever actions are required to accommodate the new use), provided such new uge: (1) also bhali be for the common benefit of recorded tract declaration, (i) thall be consiatent with any regulations. Alternatively, deed restrictions or zoning regulations. Alternatively, the Board upon satisiaction of writing all Members of the proposed of calling a meeting, notify in to object thereto and, if no more transaction and of their right Class A Memberships eligible to vote than ten percent (108) of the thirty ( 30 ) days after receipt vote object in writing within thirty (30) days after receipt of such notice, the proposed of the Members shall not be necessary. the Members and a meeting

Section 4.7
Assoclation shail have the right to deansfers of common Area. The part of the common Area to any public authority or uter all or any the transfer or dedication does not authority or utility (i) if effect on the entodication does not have a substantial adverse Residents, or (ii) if required by a recorded athe Members or the zoning stipulation or an agreoment recorded subdivision plat, a effective prior to the date hereof with the city of Chandler, (ii) above, no such dedication or Except as authorized in (i) or (1i) above, no such dedication or transfer shall be effective Members, voting inal of a majority of the vote of each class of purpose. The Association shall proxy at a meeting called for auch shape or location of the common have the right to change the size, for other property or the Common Areas, to exchange the common Areas for other property or interests which become Common Areas, and to authority) upon ( $x$ ) the adoption of a ran Areas (to a non-public stating that ownership and arption of a resolution by the Board longer in the best interests of of the relevant common Area is no the change desired shall be for their and Members, and that substantially adversely affect them their benefit and shall not resolution by a majority of the votes of $(y$ ) the approval of auch voting in person or by proxy the votes of each class of Members, Alternatively, the Board upon satisfaction called for auch purpose. may, in lieu of calling a meeting pursuant to subsection ( $x$ ) above notify in writing all Mombers of the proposed tubsection ( $y$ ) above, their right to object thereto and if no mod transaction and of (10\%) of the class $A$ Marabers eligible to more than ten percent

within thirty (30) days after receipt of such notice, the proposed transaction shall be deemed approved by the Members and a meeting of the Hembers shall not be necessary.

ARIICLE $V$
membership and voting rigets
Section 5. 1 Hembership. Every owner of a Lot which ia subject to assessment shall be a Member of the Association. Hembership shall be appurtenant to and may not be separated from ownership of any Lot. which is subject to assessment.
(2)
gection 5.2 Voting Righta. The Association ehall have two

Class A, Class A Members shall be all Owners, with the exception of the Deciarant. Each such owner shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as such Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.
Clase $B$. The class B Member shall be the Declarant and ohall be entitled to three (3) votes for each lot owned. The class $B$ membership shall cease and be converted to clazs $A$ on the happening of either the following events, whichever first occurs:
(a) When the total votes outstanding in the class A membership equal the total votes outstanding in the class $B$ membership, or
(b) The 32st day of December, 1996.

## ARTICLE VI

COVENANT FOR MAINTENANCE ASSESGMENTS
Section 6.1 creation of the Lien and Personal obligation of Assesergents. The Declarant covenants for each Lot, and each owner of any Lot by acceptance of a deed therefor (whether or not it shall be so expressed in such deed) is deemed to covenant and agree to pay to the Association: (1) annual assessments and (2) spacial assessments for capital improvements, such assessmenta to be established and collected as hereinafter provided. A Lot owned by the Association, pursuant to section 6.8 or otherwise, shall not be subject to assessment.

The annual and spectal assessments, together with interest costs and reasonable attorney's fees, shall be a charge on the lot and shall be a continuing lien therson as well as the personal


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obligation of the person who was the Lot owner at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pasp to the Lot Owner's successors in title unless expressly assumed.

Geotion 6.2 Pugpose of Assemsments. In order to promote civic and social betterment for the common good of the Members of the Association, the assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and velfare of the residents and owners of the property and for the improvement and maintenance of the common Area.

Gection 6.3 Maximum Annual Assesgment. Until 12/31/94, the maximum annual assessment shall be Four Hundred whenty Dollexs and No/100 ( $\$ 420,00)$ per Lot. The annual assessment shall be payable monthly in advance.
(a) From and after $1 / 1 / 95$ the maximum annual assessment may be increased either by ten percent (10\%) of the maximum assessment for the previous year or a percentage equal to the average fate of change of the Consumar Price Index (the "CPI") for the most recent past twelve (12) months, whichever is greater, without a vote of the membership. For the purposes hereot CPI shall mean the Monthly Labor Review by the United states Department of Labor statistics, designated "Consumer Price Index--U.E. City Average for Urban Wage Earners and Clerical Workers, 1982-84 Equals 100, All Items."
(b) In Addition to Section 6.3(a) above, the maximum annual assessment during each fiscal year of the Association shall be automatically increased by the amounts of any increases in wtar or other utility charges or any increases to insurance rates charged to the Association; and
(c) From and after $\qquad$ , the maximum annual assessment may be increased above the amount indicated in (a) above by a vote of two-thirde of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.
(d) The Board of Directors may $f i x$ the annual assessment at an amount not in excess of the maximum.

Gection 6.4 Gpecial Agsessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year for the exclusive purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair of replacement of a capital improvement upon the common Area, including fixtures and personal property related thereto; provided, however, that any such assessments shali have the assent of two-thirds (2/3) of the votes of each clase of Members who are

voting in perzon or by proxy at a meeting duly called for such
purpose.
Gection 6.5 Notice and ouorum for any Action Authorized
Under sections 6.3 and 6.4 . Written notice of any meeting called for the purpose of taking any action authorized under sections 6.3 and 6.4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent ( $60 \%$ ) of all the votes of each class of membership shall constitute a quorum. It the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Sisction 6.6 Uniform Rate of Asgeggment. Except as provided herein, the annual assessments must be fixad at a uniform rate for all Lots and may be collected on a monthly basis, as designated by the Board. Declarant shall pay 25\% of the annual assessments for each Lot which Declarant owns in 12 twelve (12) equal monthly instaliments in the same manner established for payment of the annual assessment amount by other fot Owners, except that Declarant shall pay and be 1 lable for the full assessment amount for any Lots owned by Declarant which are being used by Declarant as Model fomes or otherwise being used and occupied for residential purposes (but not sooner than the ciosing of the first Lot to a residential homebuyer). Notwithstanding the above, any home builder in the business of constructing residential improvements on Lots and who buys Lots from Declarant for such purpose shall pay $25 \%$ of the annual assessments for each Lot which such builder owns or leases and which is not being occupied for residential purposes. Any owner renting or leasing a Lot to Declarant which is not being occupied for residential purposes shall pay $25 \%$ of the annual assessment for such Lot.

Spaction 6.7 Date of Commencement of Annual Assossments: Due Date. The annual assessments provided for herein shall cozmence msil coincide with the conveyance of of the eirst Lot, which date will coincide with the conveyance of the common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properiy executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as to the matters described therein.


Section 6. B Effect of Nonmpayment of Aggeggmente: Remedies of the Aseociatione Any assessmont not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12\%) per annum or the prevailing VA interest rate, whichevar is higher, but in no event exceeding the maximum rate allowed by law. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common Area or abandonment of his Lot.
(a) Enforcement by suit. The Board may cause a suit at law to be cormenced and maintained in the name of the Association against an Owner to enforce each such assessment obligation. Any judgement rendered in any such action ahall include the amount of the delinquency together with interest thergon at the rate of twelve percent (12\%) per annum or the prevailing VA interest rate, whichever is higher, but in no event exceeding the maximum rate allowed by law, from the date of delinquency, court costs, and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent owner.
(b) Enforciement by Lifen. There is hereby created a claim of ilen on each and every Lot within the Property to secure payment to the Association of any and all assessments levied against any and all Owners of Lots covered by the Declaration, together with interest thereon at the rate of twelve percent (12\%) per annum or the prevalling VA interest rate, whichever is higher, from the date of delinquency, but in no event exceeding the waximum rate allowed by law, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys fees, At any time after the occurrence of any default in the payment of any such assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting owner on behalf of the Association. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If such delinguency is not paid within ten (10) days after delivery of such demand, or even without such a written demand being made, the Association may elect to file such claim of lien on behalf of the Association against the Lot of the defaulting owner. Such clain of lien shall contain substantially the following information: (1) the name of the delinquent owner; (2) the legal description and street address of the lot against which the claim of lien is made; (3) the total interest thereon, collection costs, and reasonebla attorneys' fees (with any proper offaet allowed); (4) a atatement that the claim of iien ls made by the Association pursuant to the Declaration, and (5) a statement that a lien



Is claimed against such Lot in an amount equal to the amount stated.

Upon recordation of a duly executed original or copy of euch claim of lien, and mailing a copy thereof to the deraulting owner, the lien claimed shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied. Such lien shall have priority over all of Iien, except only tax liens for real property taxes and liaim which are specifically described in section 6.9. Any such ilen may be foreclosed by appropriate action in court in the manner provided by law for the foreclosure of a realty mortgage or by the exercise of a power of aale in the manner provided by law under a truet defd, As ant Enrth by the laws of the state of Arizona, as the same may be changed of amended. The 1 ien provicied for herein shall be in favor of the Association and shall be for the benefit of all at any foreclosure or trustee's shall have the power to bid in hold, lease morte or trustee's sale and to purchase, acquire, hold, lease, mortgage, and convey any such Lot. In the event of such foreclosure or trustee's sale, reasonable attorneys' fees, court costs, trustee's fees, title search fees, interest and all by law. costs and expenses shall be allowed to the extent permitted expressly waives any objection to the enforcer of a Lot, hereby of this lien in this manner.

Gection 6.9 The $118 n$ of the

Subordination of the Lien to First Mortagaes. gubordinate to the aseessments provided for herein shall be any Lot shall not affect the assessment tgage. Sale or transfer of transfer of any Lot pursuant to mortgagilen. However, the sale of or trustee' any lot pursuant to mortgage foreclosure, foreclosure or trustee's sale, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due pricr to such saje or transfer. No sale or transfer shall becoming due or from the liability or any assessments thereafter becoming due or from the lien thereof.

## ARTICLE VII <br> ARCHITECTURAL CONTROL

Bection 7.1 Organization. power of Appointment and Removal of Memborg. There shall be an Architectural Committes, organized
(a) Compittea Composition. The Architectural Committee shall consist of three (3) regular members and two (2) alternate members. None of such members shall be required to for an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board or an officer of the Association.
(b) Alternate Xembers, In the event of the absence or disability of one (1) or two (2) regular members of said Comittee, the remaining regular member or members, even though less than a quorum, may designate either or both of the alternate members to act as substitutes for the absent or disabled regular member or members for the duration of such absence or disability, who shall thereupon become "regular" members during such term of designation.
(c) Terms of oftice, Unless a member of the Architectural comittee resigns by giving written notice to the Board or is removed, his term of office shall be for a period of one (1) year or until the appointment of his auccessor. Thereafter, the term of each Architectural comittree momber appointed shall be for period of one year and until the appointiment of his successor. Any new member appointed to repiace a member who has resigned or been removed shall serve such member's unexpired term. Any member who has resigned, been removed or whose term has expired may be reappointed.
(d) Appointment and Removal. The right to appoint and remove all regular and altarnate members of the Architectural committee at any time is hereby vested solely in the Board; provided however, that no member may be removed from the Architectural Committee by the Board except by the vote or written consent of fifty-one percent (51\%) of ail regular (or alternates sitting as regular) Board members.
(e) Vacancies. Vacancies on the Architectural Committee, however caused, shall be filled by the Board.

Section 7.2 Duties, It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Committee Rules and procedures for appeal to the Board of Directors, and to carry out all other duties imposed upon it by this Deciaration.

Section 7.3 Meetings and Compensation. The Architectural comittee shall meet Erom time to time ab necessary to perform its duties hereunder. subject to Section 7.1(b), the vote or written consent of any two (2) regular members, at a meeting or otherwise, shall constitute the act of the comittee, unless the unanimous decision of the committee is otherwise requized by this Declaration. The committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. Members of the Architectural Committee shall not be entitled to compensation for their services.

Section 7.4 Architectural committee Ruleg.
The Architectural committee may, from time to time and inits eole and absolute discretion, adopt, amend and repeal, by unanimous vote or

written consent, rules and regulations, to be known as ritchitectural committee Rules". Such Rules shall interpret and "Architectural Commites deciaration by setting forth the standards and implement this Deciaracion for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use within the property.

Section 7.5 Haiver, The approval by the Architectural Compittee of any plans, drawings or apecifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under this Deciaration, ghail not be deemed to constitute a waiver of anforion or matter aubsequentiy nubmitted for approval.

Section 7.6 Time for Approval. In the event the rchitectural committee fails to approve or disapprove the plans and specifications, auch will be deemed approved within thirty (30) days after their submission.

Lection 7.7 Liablilty. Neither the Architectural Comittee nor any member thereof shall be liable to the Association, any nor any or to any other party, and the Association hereby inner, or end and holds harmless the Architectural Committee and all indemnifies and holds harmless the Architectaral all damage, loss or members thereof, for, from and agalngt any of (a) the approval or prejudice suffered of claimed on accouncoffations, or similar disepproval of any plans, arawings, or specifications, or similar documents whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the overall development of the (d) the execution and filing of any estoppel Property, or (d) the execution and facts therein are correct: certificate, whether or not the facts the liability of a member, provided, however, that with respect to the on the basis of such such member has acted in good faith on the bish and without wiliful information as may oe poses woula wo applicable under local law, or intentional maconduci" andinces under which a member of the and except for those circumstances section 4.5 . Without in any way limiting the generality of any of the foregoing provisions of this limiting the Architectural committee, or any member thereof, may, section, the Architectur consult with or listen to the views of the but is not required to, consult with or listen to the the Architectural committee.

ARTICLE VIII
USE RESTRICTIONS
Section 8.1 Permitted Uses and Restrictions - Residential. The permitted uses, easements, and restrictions for all property covered by this Declaration ghall be as follows:

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(a) Single Family Residential Use. All Lots shall be used, mproved and devoted exclusively to single family residential use. No gainful occupation, profession, trade or other nonresidential use shall be conducted thereon. Nothing herein shall be deemed to prevent the leasing of any Lot with the improvements thereon to a single family from time to time by the owner thereof, subject to all of the provisions of the Declaration. No structure whatever, other than one private garage, swimming pool or spa shali be erected, placed or permitted to remain on any Lot. Lots owned by Declarant or its designee or assignee may be used as model homes and for sales and construction offices for the purpose of enabling Deciaxant or its designee or assignee to sell Lots within the Property until wuch time as all of the Lots ouned by Declarant or its designee or assignee have been sold or leased to purchasers or tenants.
(b) Antannags No antenna or other device for the transmission or reception of television or zadio signals or an other form of electromagnetic radiation shall be erected, used or maintained so as to be Visible From Neighboring Proporty, unless approved by the Board.
(c) Utility Service, All lines, wires, or other devices for the communication or transmiesion of electric current or power, including telephone, television, and radio signals, 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. Temporary power or telephone structures incident to construction activities approved by the Architectural committee are permitted.
(d) Improvements and Alterations. No improvements, alterations, repairs, excavation or other work which in any way alters the exterior appearance of the Property or the improvements located thereon from its natural or improved state existing on the date aucin Property was fixmt comvayed by Deciarant to a home buyer shall be made without the prior approval of the Architeotural committee, except as otherwise expressly provided in this Declaration. No building, fence, wall. or other structure shall be erected, maintained, impróved, altered, made or done (including choice of exterior color scheme and building materials) without the prior written approval of the Architectural Comittee or any subcommittee thereof. Pursuant to its rulemaking power, the Architectural Committee shall establish a procedure for the preparation, submission and determination of applications for any such alteration or improvement. The Architectural Committee shall have the right, in its sole discretion, to refuse to approve any plans, specifications or grading plans, which are not suitable or desirable, for aesthetic or other reasons, and in

so passing upon such plans, specifications and grading plans, and without any limitation of the foregoing, it shall hava the right to take into consideration the suitability of the proposed building or other structure, and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the building or other structure as planned, on the outlook from adjacent or neighboring Property. No changes or deviations in or from such plans and specifications once approved shall be made without the prior written approval of the Architectural Committee.
(e) Maintenance of Lawns and plantings. All yards visible Irom the street shall have acceptable landscaping installed within a reasonable period of time not to exceed 180 days from the close-of-escrow to the first home buyer as to a apecific Lot. Lots shall be maintained by their owners free of weeds and debris; lawns shall be neatly mowed and trimmed; bushes shall be trimmed; and dead plants, trees, or grass shall be removed and replaced.
(f) Repair of Buildings. No improvement upon any property shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished.
(9) Trash Containers and Collection. No garbage or trash shall be placed or kept on any Property except in covered sanitary containers. In no event shall such containers be maintained so as to be Visible From Nelghboring Property except to make same available for collection and, then, only the shortest time reasonably necessary to effect such collection. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Lot.
(h) Overhangs, No tree, shrub, or planting of any kind on any property shall be allowed to overhang or otherwise to encroach upon any common Area from ground level to a height of twelve (12) feet, without the prior approval of the Architectural Committee.
(i) Machinery and Equipment. No machinery or equipment of any kind ghall be placed, operated or maintained upon the Property except usual and customary equipment and machinery uged in connection with the use, maintenance or construction of permitted improvements, and except that which Declarant or the Association may require for the operation and maintenance of the Common Area. slides, playground equipment, basketball poles and hoops, outdoor decks, gazebos and other such equipment or structures shall be allowed provided they are approved by the Architectural committee.

(j) Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smalier Lots or parcels by any owner, and no portion less than all of any such Lot, ghall be conveyed or transferred by any owner, without the prior written approval of the Board. No Lot may be converted into a condominium or cooperative or other similar type of entity without the prior written approval of the Board. No further covenants, conditions, restrictions or easements shall be recorded against any Lot without the written consent of the Board being evidenced on the recorded instrument containing such restrictions and without such approval such restrictions shall be null and void. No applications for rezoning, variances, or use permits shall be filed without the written approval of the Board and then only if such proposed use is in compliance with this Declaration.
(k) signse No sign of any nature (other than a name and address sign, not exceeding $9^{\prime \prime} x 0^{\prime \prime}$ in size) shall be permitted on any Lot; provided, however, that one sign of not more than five square feet may be temporarily erected or placed on a Lot for the purpose of advertising the Lot for arle or rent; and provided further the Declarant or its designee or assignee may erect any signs during construction. These restrictions shall not apply to the Association in furtherance of its powers and purposes herein set forth.
(1) Utility Easements. There is hereby created a blanket easement upon, across, over and under the Common Area for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and syatems, including, but not limited to, water, sewer, gas, telephone, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment, and to affix and maintain wires, circuits and conduite on, in and under roofs and exterior walls. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical limes, water lines, or other utilities or service lines may be installed or relocated except as initially developed and approved by the Declarant or thereafter approved by the Board. This easement shall in no way affect any other recorded easements. This easement shall be limited to improvements as originally constructed and no common utility shall be permitted to pass over any improvements on the Lots and no connection line shall be permitted to pass over any improvement on the lot other than the one it serves.
(m) Animala. No animal or fow1, other than a reasonable number of generally recognized house or yard pets, shall be (i) maintained on any Lot covered by this Declaration and then only if they are kept, bred or raised thereon solely as

domestic pets and not for commercial purposes; or (ii) be permitted to make an unreasonable amount of noise, or create a nuisance. No structure for the care, housing or confinement of any animal or fowl, shall be maintained so as to be Visible From Neighboring Property.
(n) Temporary occupancy. No temporary building, structure or vehicle of any kind shall be used as a residence, either temporary or permanent. Temporary buildings or etructures used during construction periods shall be removed immediately after completion of such construction.
(0) Trailers, Boats, Aircraft, and Motor Vehicles. No motor chicle classified by manufacturer rating as oxceeding 3/4 ton, mobile home, trailer, camper shell, boat, boat trailef of hang glider or other similar equipment or vohicle may be parked, stored, maintained, constructed, reconstructed, or parked, stod on any Lot, street, or Common Area, Visible From repaired on any Loty within the Property, provided, however, Neighboring Property the provisions of this sect (i) pickup trucks of less than 3/4 garages or on (with or without camper shells) providing the ton capacity (with or truck and camper shail not exceed seven height of such pickup mini motor homes or other recreation (7) feet, or (ii) mini moed seven (7) feet in height or vehicles which do not exceed if those vehicles described in eighteen (18) feet in ing a regular and recurring basis for (1) and (ii) are used on automobile, motorcycle, motor bike, basic transportation. No aut other motor vehicle shall be motorized hang glider, or or repaired on any lot, etreet, or constructed, recona the property and no inoperable vehicle may Common Area within the so as to be Visible From Neighboring be stored or parked the event of an emergency.
(p) Nuisances/Construction Activities. No rubbish or debris f any kind shali be placed or permitted to accumulate upon or adjacent to a Lot and no odors or loud nolees shall be permitced co mrime or mit theraftom, so as to create a ouisance, render any such property or any portion thereof or nuisance, render any such or activity thereon unsanitazy, unsightly, offensive of detrimental to the Lot or person in the of the foregoing Without limiting the general, whistles, bells or other sound provisions, no speakers, horns, whised esclusively for security devices, except security devices used, or placed on any such purposes, shall be located, used, or placed driven vehicles (except property. No motorcycles or motor driven lawn maintenance equipment) shall be operated The Boad in its sole or sidewalks within the property determine the existence of discretion shall have the rignt determetination shall be any violation of this section and rerein. Normal construction final and enforceable ts provided her a nuisance or otherwise activities shall not be considered a nuisance or otnerwise

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prohibited by this Declaration, but Lots shall be kept in a neat and tidy condition during construction periods. supplies or building materials and construction equipment shall be stored only in such areas and in such manner as may be approved by the Architectural Committee or the Declarant.
(q) Clothes Drying Facilities. outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Property unless they are erected, placed and maintained exclusively within a fenced service yard or otherwise not Visible From Neighboring Property.
(c) Mingrai Exploration. No Property shall be used in any manner to explore for or to remove any water, oil or other hyarocarbons, minerais of any kind, gravel, earth, or any earth substance of any kind.
(B) Digeasogeand Ingects. No Owner or resident shall permit any thing or condition to exist upon the Property which shall induce, breed or harbor infectious plant diseases or noxious insects.
(t) Party walls and Fences. The rights and duties of owners with respect to party walls or party fences shall be as follows:
(1) Owners of contiguous Lota who have a party wall or party fence shall both equally have the right to use auch wall or fence, provided that such use does not interfere with the use and enjoyment thereof by the other owner.
(2) In the event that any party wall or party fence is damaged or destroyed through the act of an Owner, his agents, guests, or family members, it shall be the obligation of such owner to rebuild and repair the party wall or party fence without cost to the other adjoining Lot Owner or Owners. Any dispute over an Owner's liability shall be resolved as provided in subsection (5) below.
(3) In the event any party wall or party fence is destroyed or damaged (including aeterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining owner, his agents, gueste or family members, it shall be the joint obligation of all Owners whose Lots adjoin such wall or fence to rebuila and repair such wall or fence, such expense to be divided among the owners in accordance with frontage of their Lot on the party wall or party fence.

(4) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the gtructural integrity of any party wall or party fence without the prior written consent of the Board.
(5) In the event of a dispute between owners with respect to the construction, repaix or rebuilaing of a party wall or party fence or the sharing of the cost thereof, such adjoining owners shall submit the dispute to the Board, the decision of which ahall be final and enforceable.
(6) Each owner shall permit the Owners of adjoining fotg, or their representatives, when reasonably required, to enter his Lot for the purpose of repairing of maintaining a party wall or fence or for the purpose of performing installations, alterations or repairs to the property of such adjoining owners, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the owner. In case of an emergency, such right of entry shall be immediate. An adjoining owner making entry pursuant to the terms of this paragraph shall not be deemed guilty of trespass by reason of such entry.
(7) Surfaces of party walls or party fences which are genexally accessible or viewable from only the adjoining Property may be planted against, painted, maintained and used by the adjoining owners. If such surfaces are viewable from public streets or the Common Area, the color scheme shall not be changed without the written consent of the Architectural committee.
(8) Any Lot which has a wall adjacent to the Common Area and which wall separates the lot from the common Area shall be considered to have a party wall with the Association and the provisions of this section 8.1(t) apply as though the comon Area were an adjacent Lot.
(9) The owners of Lots with a wall adjacent to a street, or adjoining property, other than Lots or common Area within the property, shall be solely responsible for repair and maintenance of such walls, and if repair is necessary, the repaired wall must match the size, color, and texture of the existing adjacent walls within the Property.
(u) Drainage Easement. There Ls hereby created a blanket easement for drainage of groundwater on, over and across the Common Area. No Owner shall obstruct, divert, alter of interfere with any portion of the property. Each owner ehall

at his own expense maintain the drainageways and channels on his Lot in proper condition free from obstruction.
(v) parking. It is the intent of the Declarant to eliminate on-street parking as much as possible. Vehicles of all owners, residents, quests and invitees are to be kept in garages, carports, residential driveways and other parking areas designated by the Association.
(w) Right of Rntry. During reasonable hours and upon reasonable notice to the owner or resident of a Lot, any Member or authorized representative of the Architectural committee or the Board shall have the right to enter upon and ingpect any Lot of improvements thereon, except for the interior portions of any completed improvements, to determine if the improvements are in compliance with this Declaration. Any such pergons shall not be deemed guilty of trespass by reason of such entry.
(x) Health. Safety and Welfare. In the event uses, activities and facilities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners or residents, the Board may make rules restricting or regulating their presence as part of the Association Rules or may direct the Architectural committee to make rules governing their presence on Lots as part of the Architectural Committee Rulea.

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Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant, or its duly authorized agents, of improvements or signs neceseary or convenient to the development or sale of Lots within the Property.

Section 8.2 Permitted Uaes and Bestrictions - Common Area. The permitted uses and restrictions for the Common Area shall be as follows:
(a) Permitted Uses.
(1) Except as otherwise provided herein, the Common Area shall be used in general for the exclusive benefit of the Owners, for the furnishing of services and facilities for which the same are reasonably intended and for the enjoyment to be derived from such reasonable and proper use, without hindering the exercise of or encroaching upon the right of any other owner to utilize the common Area, provided that no unlawful use shall be permitted.
(b) Restricted Uses.


(1) The Common Area shall not be used by Owners for storage of supplies, material or personal property of any kind.
(2) Except as otherwise provided herein, no activity shall be carried on nor condition maintained by any owner upon the Common Area which spoils the appearance of the property or hinders or encroaches upon the right of any other owner to utilize the Common Area as reasonably intended.
(c) Maintenance by Association, The Association has the right and may, at any time, as to any common Area conveyed, leased, or transferred to it, or otherwise placed under its jurisuiction, in the discretion of the Board, without any approval of the owners being required:
(1) Maintain the plantings on all Common Areas. For this purpose, Declarant and the Association shail have the right, at any time, to plant, replace, maintain and cultivate landscaping, shrubs, trees, and plantings on any Common Area and on such easements over an Owner's Lot as may have been granted to Declarant or the Association, regardiess of whether any owner or the Association is responsible hereunder for maintenance of such areas. No Owner shall remove, alter, injure or interfere in any way with any landscaping, shrubs, trees, grass or plantings placed upon any common Area without the prior written consent of Declarant or the Association. Declarant and the Association shall have the right to enter upon or cross over any Lot, at any reasonable time, for the purpose of planting, replacing, maintaining or cultivating such landscaping, shrubs, trees, grass or plantings and shall not be ilable for trespass for so doing.
(2) Reconstruct, repaix, replace or refinish any improvement or portion thereof upon the common Area or the above described easement areas (to the extent that such work is not the responsibility of any governmental entity or utility):
(3) Construct, reconstruct, repair, replace or refinish any road improvement or surface upon any portion of such area used as a road, street, walk, and parking area (to the extent that such work is not done by a governmental entity or utility, if any such entity is responsible for the maintenance and upkeep of such area);
(4) Replace injured and diseased trees or other vegetation in any such area, and plant trees, shrubs and
 or advisable:
(5) Place and maintain upon the Common Area such signs, markers and lights as the Board may deem appropriate for the proper identification, use and regulation thereof, subject to the approval of the Architectural committee;
(6) Remove all papers, debris, filth and refuse from the common Area and wash or sweep paved areas as required; clean and relamp lighting fixtures as needed;
(7) Repaint etriping, markers, directional signs, and similar identification or safety devices as necessary;
(8) Pay all real and personal taxes and assessments on the Common Area;
(9) Pay all electrical, water, gas and other utility charges or fees for services furnished to the common Area;
(10) Pay for and keep in force at the Association's expense, adequate insurance against ilability incurred as a result of death or injury to persons or damage to property on the Common Area. Such insurance shall be with companies acceptable to the Association and with adequate of the Owners pursuant to any other owners or required of che the property, such insurance recorded document affecting the popers or both as named to name the Association or the Owners or both as named insureds;
(11) Do all such other and further acts which the Board deems necessary to preserve and protect the common Area and the beauty thereof, in accordance with the gencral purposes specified in this Declaration;
(12) The Board shall be the sole judge as to
appropriate maintenance within the common Area; and
(13) Nothing herein shall be construed so as to preclude
the Association from delegating its powers set forth above to a project manager or agent or to other persons, tirmis or corporations.
(d) Damage or Destruction of common Area by owners, In the event any Common Area is damaged or destroyed by an owner or any of his guests, tenants, licensees, or agents, such damaged coes hereby authorize the hall so repair said damaged area in area, and the Association shall so repaince with the original a good workmanlike manner
plans and specifications of the axea involved, or as the area may have been modified or altered subsequently by the Agsociation, in the discretion of the Association. The amount necessary for such repairs shall, to the extent required under lacal law, be paid by said Owner, to the Association and the Association may enforce collection of same in the same manner as provided elsewhere in this Declaration for collection and enforcement of assessments, including section 9.3 hereof.
(e) Kortorage or Conveyance of Comon Aros. The Common Area shall not be mortgaged or conveyed without the prior consent of owners representing not less than two-thirds (2/3) of the authorized votes of each class of Members.

## ARTICLE IX <br> INSURANCE

Section 9.1 Scope of Coverage. Commencing not later than the time of the first conveyance of a Lot to a person other than the Declarant, the Association shall maintain adequate insurance for the common Areas, including liability in an amount no less than one million dollars $(\$ 1,000,000)$, as well as directors and officers liability. Each Owner shall be responsible for coverage on his Lot and any improvements thereon.
gection 9.2 Certificates of Ingurance. An insurer that has issued an insurance policy under this Article shall issue certificates or a memorandum of insurance to the Association and, upon request, to any owner, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this Article may not be canceled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Owner, and each mortgages or beneficiary under deed of trust to whom certificates of insurance have been issued.

Section 9.3 Repalt and Replacement of Damaged or Destroyed Property. Any portion of the common Area damaged or destroyed ahall be repairea or replaced promptly by the Association unless (a) repair or replacement would be 11 legal under any state or local health or safety statuts or ordinance, or (b) owners owning at heaith or safty percent (80\%) of the Lots vote not to rebuild. The cost of repait or replacement in excess of insurance proceeds and reserves shall be paid by the Association. If the proceeds attributable to the damaged Common Area shall be used to regtore the damaged area to a condition which is not in violation of any state or local health or gafety statute or ordinance and the remainder of the proceeds ghali be distributed to the Owners on the basis of an equal share for each Lot.

ARTICLE X
GENERAL PROVIGIONS



Section 10. 1 The Declaration, By acceptance of a deed or by acquiring any ownership interest in any portion of the property, each owner, his heirs, representatives, successors, transferees ané assigns, binds himesit, his heirs, fepresentatives, successors, transferees and assigns, to restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such owner by so doing nereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property and thereby evidences his interest that ail the restrictions, conditions, covenants, rules and regulations contained herein shali run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof, Furthermore, each such Owner fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various future Owners.

Section 10.2 Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Bection 10.3 Improper Maintenance and Use of Lotes. In the event any portion of any Lot le maintained so as to present a public or private nuisance, or substantially detiract from or affect the appearance or quality of any surrounding lot, or lis used in a manner which violates this Declaration or in the event the owner or resident of any Lot is failing to perform its obligation under this Declaration or the Architectural Committee Rules, the Board may, by pesolution, make a finding to such effect, specifying the particular condition(s) that exist, and pursuant thereto, give notice to the Owner of such Lot that unless corrective action is taken within fourteen (14) days, the Board may take, at such Owner'a cost, whatever action is appropriate to complete compliance including, without limitation, appropriate legal action. Charges incurred by the Association in making any repairs of maintenance ohall be borne by the Owner and shall be pala to the Agsociation on demand with interest at twalve percent (12\%) per annum accruing from the date said charges are incurred until paid in full. Any sum not paid hereunder by the owner shall be treated as an assessment and collected in accordance with the procedures provided in Article VI.

Section 10.4 Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 10.5 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of
thinty (30) years from the date this Declaration is recorded, after which time they shall be extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by owners representing not leas than seventy-five percent (75\%) of the authorized votes of each class of Membership, and thereafter by an instrument signed by owners representing not less than two-thirds $(2 / 3)$ of the authorized votes of each class of Members; except that the Declarant may amend the Declaration as may be requested by the FHA, VA, FHLMC or FNMA, or any government agency which requests such amendment as a condition of approving the Declaration or any federally chartered lending institution which requests such federally chartered lending institution which requests such amendment as a condition to lending funds upon the security of any Lot, or as may be appropriate in the event of any guch requested amendment that deletes, diminishes or alters Declarant's control of the Association and its activities, to permit the Declarant to adopt other and different control provisions. Any amendment must be recorded.

Section 10.6 Notices. Notices provided for in these Restrictions shall be in writing and shall be addressed to the last known address of the Lot Owner in the files of the Carrilio Ranch Homeowners' Association. Notices shall be deemed delivered when mailed by United States First Class, Registered or Certified Mail addressed to the Lot owner at such address or when delivered in person to such owner.

Section 10.7 Condemnation. Upon receipt of notice of intention or notice of proceedings whereby all or any part of the property is to be taken by any governmental body by exercise of the power of condemnation or eminent domain, all owners and first mortgagees shall be immediately notified by the Association thereof. The Association shall represent the owners in any thereof. The Association shall represent the owners in any of any part of the common Area of the Property, and every Owner appoints the Association his/her attorney-in-fact for this purpose. The entire award made as compensation for such taking of Common Area, including but not limited to any amount awarded as severance damages, or the entire amount received and paid in anticipation and settlement for such taking, after deducting therefrom, in each case, reasonable and necessary costs and expenses, including but not iimited to attorneys' fees, appralsers' fees and court costs (which net amount ghall hereinafter be referred to as the "Award"), shall be paid to the Association as trustee for the use and benefit of any Owners and their first mortgagees as their interests may appear. The Association shall, as it is practicable, cause the Award to be utilized for the purpose of repairing and restoring the property, including, if the Association deems it necessary or desirable, the replacement of any improvements so taken or conveyed.



In the event of any taking of any Lot in the property by eminent domain, the owner of such Lot shall be entitled to receive the award for such taking, and after acceptance thereof Lot Owner and all of Lot Owners' mortgagees shall be divested of all interest in the property if such owner shall vacate Lot owners' Lot as a reault of such taking. The remaining owners shall decide by majority vote whether to rebuild or repair the property or take other action. The remaining portion of the Property shall be reaurveyed, if necessary, and the Declaration shall be amended to reflect such taking. In the event of a taking by eminent domain of more than one Lot at the same time, the Association shall participate in the negotiations and shall propose the method of division of the proceeds of condemnation where Lots are not valued separately by the condoming authority or by the court. The Association should give careful consideration of the allocation of Common Interests in the common Area in determining how to divide lump sum proceeds of condemnation. In the event any Lot owner disagrees with the proposed allocation, Lot owner may have the matter submitted to arbitration undex the rules of the American Arbitration Association.

Gection 10,8 Haiver: Remedies cumulative. No failure or delay on the part of any person in exercising any right, power or privilege hereunder and no course of dealing between or among the persons subject hereto shall operate as a waiver of any provision hereof, nor ghall any single or partial exercise of any right, power or privilege hereunder preclude any other right, power or privilege. The rights and remedies herein expressiy provided are cumulative and not exclusive of any rights or remedies which any person aubject hereto would otherwise have. No notice to or demand upon any person in any case shall entitle such person to any other or further notice or demand in similar or other circumstances or constitute a waiver of rights to any other or further action in any circumstances.

Section 10,9 Topical Heading.
The marginal or topical headinge of the paragraphs contained in this Declaration are for convenience only and do not define, limit or construe the contents of the paragraphs of this Declaration.

Section 10, 10 As long as there is a Class B membership, then if this Declaration has previously been approved by the Federal Housing Administration or the Veterans Administration, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Area, and the amendment of this Declaration.



STATE OF ARIZONA js.s.
County of maricopa)
on this -th day of $_{\text {Opel }} 1992$ before me undersigned Notary public, personally pppeared tach dill of CIÍ who acknowisdged himeji to be the peseden and that as such CONSTRUCTION COMPANY, an Arizona corporation, and the foregoing officer being authorized so to contained, by singing the name instrument for the purposes therein contained, by singing the name of the corporation.

## fonda UI. Diem ner.Eleot Notary Public

My Commission Expires:



