F. ANN RODRIGUEZ, RECORDER RECORDED BY: DSC

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THERESA B KEELEY
SANTERRE & VANDE KROL LTD
7333 E DOUBLETREE RANCH RD #200
SCOTTSDALE AZ 85258



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When recorded, return to:

Theresa B. Keeley, Esq.
SANTERRE & VANDE KROL, LTD.
7333 E. Doubletree Ranch Rd.
Suite 200
Scottsdale, Arizona 85258

THIRD CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS & EASEMENTS FOR LAS CAMPANAS

This Third Certificate of Amendment to the Amended and Restated Declaration of Covenants, Conditions, Restrictions & Easements for Las Campanas ("Third Amendment"), is made effective as of the 20 day of August, 1998, by Las Campanas Community Association, an Arizona non-profit corporation (the "Association").

RECITALS

A. The Association desires by this Third Amendment, to amend that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions & Easements for Las Campanas, recorded March 16, 1995, as instrument number 95-036518, Docket Number 10001, at page 1844, Records of Pima County, Arizona, as supplemented and amended by the Addendum to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, recorded June 26, 1995, as instrument number 95-092052, Docket Number 10072, at page 1207, the First Amendment to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, recorded June 28, 1995, as instrument number 95-093710, Docket Number 10074, at page 818, the Addendum to the Amended and

Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, recorded December 6, 1995, as instrument number 95-186520, Docket Number 10184, at page 2194, and the Second Amendment to the Amended and Restated Declaration of Covenants, Conditions, Restrictions & Easements For Las Campanas, recorded May 19, 1997, as instrument number 97-076853, Docket Number 10548, at page 1444 (collectively the "Declaration").

- B. Article 12, Section 12.2 of the Declaration provides that the Declaration may be amended by the recording of a certificate of amendment, duly executed by the president or vice-president of the Association, which certificate of amendment shall set forth in full the text of the amendment adopted, and certifies that Owners representing not less than fifty-one percent (51%) of the votes then entitled to be cast at an election duly called have voted affirmatively for the adoption of the amendment.
- C. The undersigned, as the president of the Las Campanas Homeowners Association, hereby certifies that pursuant to an election duly called, the Third Amendment set forth herein has been approved by the affirmative vote of Owners representing not less than fifty-one percent (51%) of the votes then entitled to be cast at the election.
- D. Except as otherwise defined herein, capitalized terms used in this Third Amendment shall have the same meaning as set forth for such terms in the Declaration.
- E. From and after the date hereof, this Third Amendment and the Declaration shall collectively be known as the Declaration of Covenants, Conditions and Restrictions and Easements for Las Campanas.

AMENDMENT

NOW, THEREFORE, the Declaration is hereby amended as follows:

- 1. The Recitals hereinabove set forth are incorporated by reference as if fully rewritten herein.
 - 2. Section 14.8 is deleted in its entirety and the following is substituted therefor:
 - "14.8 <u>Parking, Storage, Motor Vehicles</u>. All Residents and their guests and invitees shall be obligated to park all automobiles in off-street, paved parking areas, which are limited to driveways, the confines of either a carport or a garage, as approved by the Design Review Committee, and any additional parking spaces,

if any, set forth in the Plat, but which shall not include other Common Areas not so designated for such parking. The parking of any such vehicle on sidewalks, paved or otherwise, anywhere on the Property is expressly prohibited. Notwithstanding the above provision, the guests and invitees of Residents who temporarily park their automobiles in front of residences for the purpose of social events and other gatherings of Residents and their invitees are exempt from these provisions; and overnight parking of an automobile by a guest of a Resident in front of a residence is permitted for a maximum of 14 days.

Parking and/or storing of recreational vehicles (including, but not limited to, motor cycles, motor homes, vans, campers, trailers and boats) is prohibited on all portions of the Property except within the confines of either a carport or a garage, as approved by the Design Review Committee. Notwithstanding the above, such recreational vehicles may be parked on the parking area of an Owner's Lot (driveway), if it is not blocking the sidewalk, or in the street in front of an Owner's Lot for such periods of time as shall be reasonably necessary to load or unload such recreational vehicle, which period of time shall be not more than fortyeight (48) hours in any seven (7) day period. The use and/or occupancy of any recreational vehicle (including, but not limited to, a motor home, van, camper, trailer or boat) as living quarters on either a temporary or permanent basis is strictly prohibited on any portion of the Property. For purposes of this Section, the term "recreational vehicle" shall not include (1) pick-up trucks with no more than a ¾ ton capacity with camper shells attached that are no more than seven feet in height as measured from ground level, or (2) mini-motorhomes that are no more than seven feet in height and no more than eighteen feet in length, so long as said pick-up or mini-motorhome is used on a regular and recurring basis for regular transportation and is parked in accordance with the provision of this Section applicable to automobiles. The Association may remove, or cause to be removed, any unauthorized vehicle at the expense of the Owner thereof in any manner consistent with law.

No automobile, motorcycle, motorbike, recreational vehicle or other vehicle shall be constructed, reconstructed or repaired upon any Lot, Parcel or street in Las Campanas, and no inoperable vehicle may be stored or parked on any such Lot, Parcel or street, so as to be visible from Neighboring Property or to be visible from Common Areas or streets; provided, however, that the provisions of this Section shall not apply to emergency vehicles repairs."

Dated this 20. day of August	, 19 <u>98</u> .
	LAS CAMPANAS COMMUNITY
	ASSOCIATION, an Arizona nonprofit corporation,
	By All Shill Ship
	David J. Williamson, President
STATE OF ARIZONA)) ss.	
County of Pima)	
Public, personally appeared David J. Williams of Las Campanas Community Association, an	, 1998, before me, the undersigned Notary son, who acknowledged himself to be the President Arizona nonprofit corporation, and that he, in such the foregoing instrument for the purposes therein
IN WITNESS WHEREOF, I have he	reunto set my hand and official seal.
CAROL M. JOHNSON Notary Public Artzona Santa Cruz County My Comm. Expires Jun 29, 2001	Carol M Johnson Notary Public

My Commission Expires:

F. ANN RODRIGUEZ, RECORDER

RECORDED BY: RAA

DEPUTY RECORDER

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SANTERRE & VANDE KROL LTD

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7333 E DOUBLETREE RANCH RD SCOTTSDALE AZ 85258

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When recorded, return to:

Theresa B. Keeley, Esq.
SANTERRE & VANDE KROL, LTD.
7333 E. Doubletree Ranch Rd.
Suite 200
Scottsdale, Arizona 85258

SECOND AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS & EASEMENTS FOR LAS CAMPANAS

This Certificate of Amendment to the Amended and Restated Declaration of Covenants, Conditions, Restrictions & Easements for Las Campanas ("Second Amendment"), is made effective as of the 3rd day of December, 1996, by Las Campanas Community Association, an Arizona non-profit corporation (the "Association").

RECITALS

A. The Association desires by this Second Amendment, to amend that certain Declaration of Covenants, Conditions, Restrictions & Easements for Las Campanas, recorded March 16, 1995, as instrument number 95-036518, Docket Number 10001, at page 1844, Records of Pima County, Arizona, which document amended, restated and revoked in its entirety that certain Declaration of Covenants, Conditions, Restrictions & Easements for Las Campanas which was recorded in the Pima County Recorder's Office on December 24, 1994, as instrument number 94-234048, Docket Number 9949, at page 2797, as supplemented and amended by the First Amendment to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, which was recorded June 28, 1995, as instrument number 95-093710, Docket Number 10074, at page 818 (collectively the "Declaration").

- B. Article 12, Section 12.2 of the Declaration provides that the Declaration may be amended by the recording of a certificate of amendment, duly executed by the president or vice-president of the Association, which certificate of amendment shall set forth in the full text of the amendment adopted and certifies that Owners representing not less than sixty-seven percent (67%) of the votes then entitled to be cast at an election duly called have voted affirmatively for the adoption of the amendment.
- C. The undersigned, as the president or vice president of the Las Campanas Homeowners Association hereby certifies that pursuant to an election duly called, the Second Amendment to the Declaration set forth herein has been approved by the affirmative vote of Owners representing not less than sixty-seven percent (67%) of the votes then entitled to be cast at the election.
- D. Except as otherwise defined herein, capitalized terms used in this Second Amendment shall have the same meaning as set forth for such terms in the Declaration.
- E. From and after the date hereof, this Second Amendment and the Declaration shall collectively be known as the Declaration of Covenants, Conditions and Restrictions and Easements for Las Campanas.

AMENDMENT

NOW, THEREFORE, the Declaration is hereby amended as follows:

- 1. The Recitals hereinabove set forth are incorporated by reference as if fully rewritten herein.
- 2. Sections 1.29.3 and 1.29.4 are deleted in their entirety and the following is substituted therefor:
 - "1.29.3 all Common Areas for so long as Declarant, the Association or a Project Association is the owner thereof;
 - 1.29.4 all Limited Common Areas:"
 - 3. The following is hereby added at the end of Section 1.29:
 - "1.29.5 all recreational Facility land and other Improvements associated with the operation of a Recreational Facility; and

- 1.29.6 all land (including any partial interest therein) and Improvements owned or operated by Cyprus Amex Mineral Corporation/Cyprus Sierrita Corporation, and/or its successors and assigns ('Cyprus' or collectively the 'Cyprus Property')."
- 4. The following is hereby added to Article 1, Section 1.21:
 - "Any rights of the Declarant relating to the Property may be exercised by the Declarant's sole beneficiary, WLC Green Valley Limited Partnership, an Arizona Limited Partnership, (WLC) or its beneficiaries, successors and assigns, if such beneficiaries, successors or assigns should be so designated in writing by WLC.
- 5. The last sentence of Article 1, Section 1.53 is hereby amended to read in its entirety as follows:
 - "An Owner shall include the Declarant and any Person who holds Record title to a Lot or Parcel in joint ownership or as an undivided fee interest. In the case of Lots or Parcels in which the fee simple title 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."
- 6. The second sentence of Article 6, Section 6.3.2 is hereby amended to read in its entirety as follows:
 - "The Class B Member shall be deemed, with respect to Parcels or Lots owned by the Declarant to be entitled to the number of votes equal to four times the number of votes which would be attributable to the Lots and Parcels if issued to a Class A member, as determined pursuant to Section 6.1 above."
- 7. The first sentence of Article 7, Section 7.15 is hereby deleted and the following sentences are hereby substituted therefore:
 - "Any Delinquent Amount shall have added thereto a flat late fee as determined by the Board if such Delinquent Amount is not paid within thirty (30) days after its due date. All late charges for Delinquent Amounts shall be limited to the greater of Fifteen Dollars

- (\$15) or ten percent (10%) of the Delinquent Amount, pursuant to A.R.S. Section 33-1803."
- 8. Article 10, Section 10.1.3 is hereby deleted in its entirety and the following is substituted therefore:
 - "10.1.3 the operation, maintenance (including insurance) and, if necessary, the replacement, restoration or reconstruction of Association or Common Area related signage, walls, fences, and other Improvements originally constructed by Declarant on the Common Areas or Cyprus Property, specifically including, but not limited to, screening walls constructed upon or around Cyprus Property, which obligation shall not be altered without the written consent of Cyprus."
 - 9. The following is hereby added to Article 10, Section 10.3:
 - "The Association, shall have the right, but not the obligation, to delegate to the Project Associations, or subassociations, the authority and the obligation of enforcing all provisions of this Declaration, including but not limited to, all use restrictions, Design Guidelines, Association Rules, collection of all monetary Assessments, and insuring compliance with the age restrictions."
- 10. The second to last sentence of Article 12, Section 12.1, is hereby amended to change the word "notes" to "votes."
- 11. The second sentence of Article 12, Section 12.2, is hereby amended to read in its entirety as follows:

"Thereafter, this Declaration may be amended from time to time (either during and throughout the initial 20-year term or during and throughout any extension thereof pursuant to Section 12.1 above) by recording a certificate of amendment, duly executed by the president or vice president of the Association, which certificate of amendment shall set forth in full the text of the amendment adopted, and, except as provided in Section 12.3, shall certify that either by the written approval of 51% of the Owners or at an election duly called, the Owners casting not less than 51% of the total votes

allocated and then entitled to be cast, voted affirmatively for the adoption of the amendment."

- 12. Article 15, Section 15.12 is hereby deleted in its entirety.
- 13. Except as specifically amended herein, all terms and conditions of the Declaration shall remain in full force and effect.

Dated the day and year first above-written.

LAS CAMPANAS COMMUNITY
ASSOCIATION, an Arizona nonprofit
corporation,

Lowell J. Williamson, President

STATE OF ARIZONA) ss.

County of Maricopa

On this Gh day of , 1996, before me, the undersigned Notary Public, personally appeared Lowell J. Williamson, who acknowledged himself to be the President of Las Campanas Community Association, an Arizona nonprofit corporation, and that he, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

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

Notary Public

My Commission Expires:



CONSENT

Bank One of Arizona, N.A., a national banking association, as Beneficiary of that certain Deed of Trust, recorded December 29, 1994, in the official records of Pima County, Arizona at Docket Number 9949, Page 2904 and re-recorded at Docket Number 9983, Page 44 thereof ("Deed of Trust"). hereby consents to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, recorded March 16, 1995, at Docket Number 10001, Page 1844, records of Pima County, Arizona which document amended, restated and revoked in its entirety that certain Declaration of Covenants, Conditions, Restrictions & Easements for Las Campanas which was recorded in the Pima County Recorder's Office on December 24, 1994, as instrument number 94-234048, Docket Number 9949, at page 2797, as supplemented and amended by the First Amendment to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, which was recorded June 28, 1995, as instrument number 95-093710. Docket Number 10074, at page 818 (collectively the "Declaration") and hereby consents to the foregoing Second Amendment to the Declaration and agrees that its interest in the Deed of Trust described in the Trust Estate as that term is defined in the Deed of Trust, is subject and subordinate to the Declaration. and the Second Amendment thereto, except to the extent specifically provided in Article 8 of the Declaration. However, nothing contained in the Declaration or the foregoing Second Amendment to the Declaration shall be construed as in any way modifying or amending any document evidencing or securing the indebtedness secured by the Deed of Trust described above

Dated this <u>BTH</u> day of <u>APRIL</u>	1997 _, 1996.
	BANK ONE OF ARIZONA, N.A., a national banking association
	By: Play Must Its: ASSISTANT VICE PRESIDENT
STATE OF ARIZONA)) ss. County of Pinta Maricipa)	
personally appeared <u>Lean most</u>	b, before me, a Notary Public in and for said state, as AVP of Bank One of Arizona, N.A., within Consent and he acknowledged to me that he in stated.
OFFICIAL SEAL HEATHER R. KLEPPE Nonly Final Scale of Arzona MANICOPA COUNTY My Commission Expect Aug. 1, 1929	Heather R Kleppe Notary Public

G.\TBK\WLC\DOCS\BANKONE.CNS

My Commission Expires:

F. ANN RODRIGUEZ FECORDER FECORDED BY: GIM

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ADDENDUM TO AMENDED AND RESTATED DECLARATION OF COVENANTS. CONDITIONS. RESTRICTIONS AND

EASEMENTS FOR LAS CAMPANAS

WHEREAS. Lawyers Title of Arizona, an Arizona corporation, as Trustee under Trust 7775-T, is the owner of those certain lands subject to Pima County Final Plat. Case Number CO-12-95-79 (Las Campanas Block G. Lots 1 through 95, and Common Area A being a subdivision of Block G of Las Campanas Blocks A through N), being the following described real property:

Las Campanas. Block G Lots 1 through 95./and Common Area A, being a Subdivision of Block G of Las Campanas Blocks A through N as recorded in Book 47 of Maps and Plats at page 17 a portion of Section 10. Township 18 South, Rang 13 East Gila & Salt River Meridian. Pima County. Arizona.

The owners do hereby certify and declare that they have established and do hereby establish the following addendum to that Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, recorded as Instrument No. 95-036518 in Docket 10,001 at Page 1844, and the First Amendment to the Declaration of Covenants. Conditions, Restrictions and Easements, dated and recorded June 28, 1995, as Instrument No. 95-093710, in Docket 10,074 at Page 818 and corrected in Docket 10112 at page 1511, Records of Pima County, Arizona.

That the Final Plat described herein is encumbered and governed by those Covenants. Conditions and Restrictions referenced herein.

block-g.add\c:\tbk\ml June o. 1996

page #2

Approved by Beneficiary:

WLC GREEN VALLEY LIMITED PARTNERSHIP. an Arizona limited partnership

By: Williamson Land Company, Inc., a

Delaware close corporation.

General Parmer

Bv:

LOWELL J. WILLIAMSON,

President

STATE OF ARIZONA) ss COUNTY OF MARICOPA)

On this 22 day of Decen Law. 1995, before me, a Notary Public in and for said county and state, personally appeared Lowell J. Williamson, who acknowledged himself to be the President of Williamson Land Company, Inc., a Delaware close corporation, as General Partner of WLC Green Valley Limited Partnership, an Arizona limited partnership, to me known or satisfactorily proven to be the person whose name is subscribed to this Certificate and acknowledged to me that he executed same.

Notary Public

My Commission Expires:

3/14/98

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ADDENDUM TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAS CAMPANAS

WHEREAS, Lawyers Title of Arizona, an Arizona corporation, as Trustee under Trust 7775-T, is the owner of those certain lands subject to Pima County Final Plat, Case Number CO 12-95-57 (Las Campanas Block K, Lots 1 through 113, and Common Areas A and B being a subdivision of Block K of Las Campanas Blocks A through N), being the following described real property:

Las Campanas, Block K Lots 1 through 113, and Common Areas A and B, being a Subdivision of Block K of Las Campanas Blocks A through N as recorded in Book 47 of Maps and Plats at page 17 a portion of Section 10, Township 18 South, Rang 13 East Gila & Salt River Meridian, Pima County, Arizona.

The owners do hereby certify and declare that they have established and do hereby establish the following addendum to that Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, recorded as Instrument No. 95-036518 in Docket 10,001 at Page 1844, and the First Amendment to the Declaration of Covenants, Conditions, Restrictions and Easements, dated and recorded June 28, 1995, as Instrument No. 95-093710, in Docket 10,074 at Page 818, Records of Pima County, Arizona.

- 1. That the Final Plat described herein is encumbered and governed by those Covenants, Conditions and Restrictions referenced herein.
- 2. That said Covenants, Conditions and Restrictions shall run with the land and be binding on the property herein described.
- 3. That those common areas, as shown on the final plat herein, are reserved for the private use and convenience of all owners of property within this subdivision and are granted as easements to Pima County and all utility companies for the installation and maintenance of above ground and underground utilities and sewers.
- 4. That title to the land of all drainageways and common areas shall be vested in the master association of individual lot and block owners as established by the Covenants, Conditions and Restrictions referenced hereinabove and that the master association will accept the responsibility for control, maintenance, ad valorem taxes and liability for the drainageways and common areas with the subdivision.

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Y

LAWYERS TITLE OF ARIZONA, INC., an Arizona corporation, as Trustee under Trust 7775-T

By: Its:

STATE OF ARIZONA

) ss.

County of Pima

This instrument was acknowledged before me the undersigned authority on this 28th day of September, 1995 by Areta Finch, Vice-Pres, on behalf of Lawyers Title of Arizona, Inc., an Arizona corporation, as Trustee under Trust 7775-T.

My Commission Expires:



Approved by Beneficiary:

WLC GREEN VALLEY LIMITED PARTNERSHIP, an Arizona limited partnership

By:

By:

Williamson Land Company, Inc., a

Delaware close corporation,

General Partner

ŁÓWELL J. WILLIAMSON,

President

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)
On this 21th day of sent	1995, before me, a Notary Public in and for said county Il J. Williamson, who acknowledged himself to be the President of
· • • • • • • • • • • • • • • • • • • •	Delaware close corporation, as General Partner of WLC Green
Valley Limited Partnership, an Arizo	ona limited partnership, to me known or satisfactorily proven to be to this Certificate and acknowledged to me that he executed same.
	Stollow Show keereles
	Notary Public
My Commission Expires:	
5-4-98	

F. ANN RODRIGUEZ, RECORDER RECORDED BY: KLK

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WLB GROUP
(PIMA CO SUBDIVISION)
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ADDENDUM TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAS CAMPANAS

WHEREAS, Lawyers Title of Arizona, an Arizona corporation, as Trustre under Trust 7775-T, is the owner of those certain lands subject to Pima County Final Plat, Case Number CO 12-95-44 (Las Campanas Block J, Lots I through 37, Blocks I and 2 and Common Area A being a subdivision of Block J of Las Campanas Blocks A through N), being the following described real property:

Las Campanas, Block J Lots I through 37, Blocks I and 2 and Common Area A, being a Subdivision of Block J of Las Campanas Blocks A through N as recorded in Book 47 of Maps and Plats at page 17 a portion of Section 10, Township 18 South, Rang 13 East Gila & Salt River Meridian, Pima County, Arizona.

The owners do hereby certify and declare that they have established and do hereby establish the following addendum to that Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas, recorded as Instrument No. 95-036518 in Docket 10,001 at Page 1844, and the First Amendment to the Declaration of Covenants, Conditions, Restrictions and Easements, dated and recorded June 28, 1995, as Instrument No. 95-093710, in Docket 10,074 at Page 818, Records of Pima County, Arizona.

- 1. That the Final Plat described herein is encumbered and governed by those Covenants, Conditions and Restrictions referenced herein.
- 2. That said Covenants, Conditions and Restrictions shall run with the land and be binding on the property herein described.
- 3. That those common areas, as shown on the final plat herein, are reserved for the private use and convenience of all owners of property within this subdivision and are granted as easements to Pima County and all utility companies for the installation and maintenance of above ground and underground utilities and sewers.
- 4. That title to the land of all drainageways and common areas shall be vested in the master association of individual lot and block owners as established by the Covenants, Conditions and Restrictions referenced hereinabove and that the master association will accept the responsibility for control, maintenance, ad valorem taxes and liability for the drainageways and common areas with the subdivision.

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LAWYERS TITLE OF ARIZONA, INC., an Arizona corporation, as Trustee under Trust. 7775-T

By:

its:

STATE OF ARIZONA

) 55.

County of Pima

This instrument was acknowledged before me the undersigned authority on this 28th day of September, 1995 by Areta Finch, Vice-Pres, on behalf of Lawyers Title of Arizona, Inc., an Arizona corporation, as Trustee under Trust 7775-T.

My Commission Expires:

MARY ALICE BUSTAMANTE NOTARY PUBLIC

Approved by Beneficiary:

WLC GREEN VALLEY LIMITED PARTNERSHIP, an Arizona limited partnership

By: Williamson Land Company, Inc., a Delaware close corporation, General Partner

By:

LOWELL J. WILLIAMSON,

President

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F. ANN HODRIGUEZ. PECCRDER FECCRDED BY: BMS

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TLATI LAWYERS TITLE

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AMOUNT PAID \$ 13.00

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FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, FESTRICTIONS AND EASEMENTS FOR LAS CAMPANAS

FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAS CAMPANAS

June

THIS FIRST AMENDMENT is made this 23 day of 1995, by LAWYERS TITLE OF ARIZONA, INC., an Arizona corporation, as Trustee under Trust 7775-T (the "Deciarant").

Recitals:

- A. Deciarant desires by this First Amendment to amend that certain Amended and Restated Deciaration of Covenants. Conditions. Restrictions and Easements for Las Campanas. recorded March 16, 1995 as instrument number 95-036518. Docket number 10001, at page 1844, records of Pima County. Arizona, which document amended, restated and revoked in its entirety that certain Deciaration of Covenants, Conditions, Restrictions and Easements for Las Campanas which was recorded in the Pima County Recorder's Office on December 24, 1994, as instrument number 94-234048. Docket number 9949, at page 2797 (collectively the "Deciaration").
- B. Section 12.2 of the Declaration provides the Declarant may amend the Declaration at any time prior to the first sale of a Lot within the Property to a Non-Developer Owner for use and occupancy as a dwelling unit, without the necessity of calling a meeting of Owners or obtaining the consent of Owners. At the time of Recording this instrument, there has not been a sale of any property within the Property to a Non-Developer Owner. Accordingly, this Declaration may be amended by the Declarant's Recordation of this instrument.

NOW, THEREFORE, the Declaration is hereby amended as follows:

- 1. Except as otherwise defined herein, capitalized terms used in this First Amendment shall have the same meaning as set forth for such terms in the Declaration.
- 2. From and after the date of this First Amendment, the Declaration shall be known as the Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas.
 - 3. Definitions. The following is hereby added at the end of Section 1.44:
 - "Any future amendments to the Master Assessment Schedule may be amended by revised versions, or revised portions thereof, referred to and described in an amendment approved and adopted by the Board. Such amendment to the Master Assessment Schedule shall be effective, once properly adopted, without the need to amend the Deciaration. Copies shall be kept by the Association and shall be

available for examination by all interested individuals at the offices of the Association during reasonable times.

- 4. Exhibit "B", which describes the Master Assessment Schedule, as defined in Section 1.44 of the Deciaration, is hereby attached to this First Amendment.
- 5. Easements for Encroachments. The following is hereby added at the end of Section 4.4:

"Further, in the event any wall, including but not limited to a common wall, patio wall, shared wall, retention wall, bearing wall, perimeter wall or party wall is constructed on the Lot line(s) and encroaches upon an adjacent Owner's Lot or the Common Area, a similar easement for such encroachment shall and does exist in favor of the Owner of the Lot which constructed and/or owns such wall, provided there was prior approval for the wall by the Design Review Committee. This easement shall include the right of an Owner or its agent to enter upon any adjoining Lot or Parcel for the purpose of constructing the wall and/or for performing repairs and maintenance to the wall and to the landscaping or yard area affected by the construction, maintenance or alteration of the wall, as required by the Design Guidelines and Section 14.16 of the Declaration."

- 6. The following is hereby added at the end of Section 4:
- "4.11 Easement for Maintenance of Walls. The Owner of each Lot is granted an easement across the adjacent Lot for purposes of construction, restoration, regular maintenance and repair of a wall located solely on an Owner's Lot and/or a wall located on the Lot line which, however, is not a "party wall" as defined in the Design Guidelines. In the event an Owner causes damage to the landscaping or a yard area located on an adjacent Owner's Lot which the Owner is entering and using to construct, maintain or repair a wall, the Owner causing the damage is responsible for restoring the adjacent Lot Owner's landscaping and yard area to its original condition prior to the damage.

No Owner shall take any action which may destroy the integrity of any wall or pose an unsightly appearance or threaten its strength, durability, or lasting life. Without limitation, no Owner shall place any plants or shrubs close to a wall in a fashion that watering of yards or plants will threaten the foundation of the adjacent walls or cause the foundations to be undermined."

7. Recreational Facility Assessment. The third sentence in Section 7.12.3 is hereby deleted in its entirety and the following is substituted therefor:

"If the Recreational Facility constructed on the Property is incorporated within Green Valley Recreation. Inc. or a similar entity's jurisdiction, then each Class

A Owner which is a purchaser of a Lot or Parcei within the Property, by the payment of the purchase price and acceptance of a deed agrees for himself, his heirs, successors and assigns, to the Association's conveyance of the Recreational Facility to Green Valley Recreation, Inc. or a similar entity, to be bound by the rules and regulations thereof, to pay all Recreational Facility Assessments and dues assessed by Green Valley Recreation, Inc. or a similar entity, in lieu of paying the Recreational Facility Assessment to the Association, and to comply with all provisions of the Articles of Incorporation and Bylaws of Green Valley Recreation, Inc. or similar entity.

8. The last sentence in Section 7.12.4 is hereby deleted in its entirety and the following is substituted therefor:

This Section 7.12 may not be amended without the consent of the Deciarant and the consent of Green Valley Recreation. Inc. or a similar entity, if Green Valley Recreational, Inc. or a similar entity is operating and maintaining the Recreational Facility. Provided, however, after Declarant has sold all of the Lots, Section 7.12 may only be amended by the Association and with the consent of either Green Valley Recreation, Inc. or a similar entity if Green Valley Recreation, Inc. or a similar entity is operating and maintaining the Recreational Facility.

- 9. The following is hereby added to the end of Section 7.12:
- "7.12.6 Special Recreational Memberships. Special Recreational Facility Memberships are Memberships entitling an individual who is not an Owner, Member. Resident. Occupant. Lessee or Guest within Las Campanas (and the individual's spouse) to the privilege of using the Recreational Facility, including without limitation the social programs, tennis and swimming facilities and the Common Areas related to the Recreational Facility, if any, to the same extent as Recreational Facility Members. Declarant, in its sole discretion, shall determine the number of Special Recreational Facility Memberships which shall be granted, if any; however, the number of Special Recreational Facility Memberships shall not exceed a number which is the greater of (i) 1,000 or (ii) that number which, along with the Recreational Facility Memberships is sufficient to financially support the Recreational Facility for its operation and maintenance. Notwithstanding anything contained herein, there shall be no Special Recreational Facility Memberships granted if doing so would violate the Fair Housing Act.
- 7.12.7 Special Recreational Facility Assessments. Special Recreational Facility Members shall be responsible for paying a Recreational Facility Assessment in the amount of (i) the Recreational Facility Assessment charged to Owners, and, if any, (ii) the proportionate share of any Special Assessments which are assessed for costs incurred by the Association for Improvements to the Recreational Facility. The failure of a Special Recreational Facility Member to timely pay any

Assessment shall be grounds for suspension of his Membership and the right to the use and enjoyment of the Recreational Facility.

- 7.12.8 Terms and Restrictions. Special Recreational Facility Memberships shall be granted on an annual basis, are non-transferrable, may only be held by an individual, and upon the termination shall revert to the Association which may or may not thereafter seil or otherwise transfer such Special Recreational Facility Membership upon such terms and conditions as the Association deems appropriate. Special Recreational Facility Members shall comply with the restrictions and limitations set forth in the Declaration and shall be subject to such other restrictions and limitations as may be provided in the Bylaws or Association Rules. The holder of a Special Recreational Facility Membership shall not be a Member of the Association nor entitled to any vote as a Member of the Association.
- 7.12.9 Guests. In the event Special Recreational Facilities Memberships are granted pursuant to Section 7.12.6, every Recreational Facility Member and Special Recreational Facility Member shall be allowed to bring guests for up to three (3) visits per guest per year. If no Special Recreational Facility Memberships are granted. Recreational Facility Members may bring guests on an unlimited basis, provided however, pursuant to Section 10.9, the Association shall have the right to charge a fee, if any, for the guest's use of the Recreational Facility."
- 10. <u>Use of Association Funds</u>. The second and third sentences in Section 9.1 are hereby amended to read in their entirety as follows:

"The runds shall also apply for the FICO Payments, and may apply to any and all charges related to the Property or a portion thereof being located within the Central Arizona Groundwater Replenishment District, and for the metering, accounting, and legal fees incurred by the Association in order to enforce the Las Campanas Documents, the FICO Agreement and/or the Central Arizona Groundwater Replenishment District's requirements. 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, or Project Associations, maintenance of landscaping on Common Areas, private and public areas, including but not limited to, public rights-of-way, streets, medians, road shoulders, entries and drainage areas (all of which may be inside or outside of the Property), maintenance of areas behind walls adjacent to Common Areas which encompass private Lots, recreational and cultural enhancement, liability insurance, communications, ownership and operation of vehicle storage areas, education, transportation, health, utilities, public services. safety and indemnification of officers and directors of the Association.

11. Rights. Powers and Duties of the Association. Section 10.1.2 is hereby deleted in its entirery and the following is substituted therefor:

"the maintenance of the landscaped portions of the Common Areas and other areas to be maintained by the Association, including, within the Board's sole discretion, all private and public right of ways, streets, medians and shoulders located on the Property and within reason outside of the Property, all areas between Common Areas and the private walls of each Dweiling Unit (in the event an Owner fails to), and all abutting Property as well as within reason, the surroundings outside of the Property, and, if necessary, to enter into licensing agreements or similar agreements with Pima County or other entities in order to accomplish same:"

12. Section 10.1.5 is hereby deleted in its entirety and the following is substituted therefor:

"the assessment and payment of the FICO Payments, according to Section 5.5 and compliance with the obligations established by the Central Arizona Groundwater Replenishment District."

13. Organization of the Design Review Committee. The first sentence in Section 11.2.1 is hereby deleted in its entirety and the following is substituted therefor:

"Committee Composition. The Design Review Committee shall consist of three or more persons appointed by the Declarant until such time as all of the Lots and Parceis have been sold and conveyed to Non-Developer Owners, after which time such appointments shall be made by the Board of Directors of the Association. Declarant shall appoint the Design Review Committee without a meeting and without a vote of the Members, and during said period, no election of the Members of said committee shall be had unless Declarant has in writing relinquished its rights of exclusive appointment."

14. The following is hereby added to the end of Section 12.4:

"Declarant reserves the right to amend or record an addendum to this Declaration or a Tract Declaration as may be requested or required by the Pima County Board of Supervisors or any other Pima County Agency with whom Declarant elects to obtain the approval of zoning, a Plat or amending the Specific Plan as a condition precedent to the Pima County Board of Supervisors or any other Pima County Agency's approval of applicable zoning, the Specific Plan amendment or a Plat.

15. <u>Screening</u>. Section 14.29 is hereby deleted in its entirety and the following is substituted therefor:

- 14.29 Screening. Mechanical electrical equipment and utility meters including satellite dishes to be installed by an Owner, shall be concealed so as not to be Visible From Neighboring Property. Included within this restriction are air conditioning, evaporative coolers, solar equipment and pool pump or heating equipment. Unless roof mounted at time of the original construction of a Dweiling Unit by the Declarant or a Developer Owner, no such equipment shall be permitted to be roof mounted or to remain exposed on any Lot or Parcel unless reasonably concealed by planting, fence or wall as approved by the Design Review Committee.
- 16. Party Walls. The first sentence in 14.16 is hereby amended as follows:
- "14.16 <u>Party Walls</u>. The rights and duties of Owners of contiguous Lots or Parceis which have common walls or party walls (as the term is further defined and clarified in the Design Guidelines) ("Party Walls") shall be as follows:"
- 17. Section 14.16.6 is hereby amended to read as follows:
- "14.16.6 This Section 14.16 does not and is not intended to abrogate the common law with respect to party walls, to control or relate to Party Walls between Condominium Units or between commercial condominium units, and is intended to apply in conjunction with the Design Guidelines."
- 18. Except as specifically amended herein, all terms and conditions of the Declaration shall remain in full force and effect.

Dated as of the day and year first above-written.

LAWYERS TITLE OF ARIZONA. INC.. an Arizona corporation. as Trustee under (Trust 7775-T

is Asst. Vice President

Approved in full by:

Trust 6486-T

LAWYERS TITLE OF ARIZONA, INC., an Arizona corporation, as Trustee, under

	By By
	Its: Asst. Vice President
STATE OF ARIZONA) ss.	
County of Markayer PEMA	
personally appeared	1995, before me, the undersigned Notary Public, who acknowledged himself or herself to be the Arizona. Inc., an Arizona corporation, as Trustee
	it he or she, in such capacity, being authorized to
IN WITNESS WHEREOF. I have here	eunto set my hand and official seal.
	Notary Public
My Commission Expires: OFFICIAL SEAL DORIS CLARK	
My Commission Expires Narch 7	

EXHIBIT B

LAS CAMPANAS

MASTER ASSESSMENT SCHEDULE

Parcel as in the Specific Plan	Acreage	Zoning	Total Estimated Memberships
A	12.5	NAC	78
В	20.0	MHDR	271
С	85.8	LDR	236
D	29.8	MDR	79
E	30.5	MDR	81
F	28.1	MDR	75
G	53.8	LDR	181 :
Н	29.9	LDR	80
I	27.5	LDR	96
J	24.0	MDR	40
К	21.3	LDR	122
L	19.4	LDR	50
М	29.8	MDR	79
N	14.7	MHDR	200
TOTAL	427.1		1668

The above memberships are estimates to be utilized for purposes of computing assessments for unsubdivided parcels. The actual number of assessments will be established according to a recorded Plat for each Parcel, with the number of residential units (memberships) not to exceed 1590.

F. ANN RODRIGUEZ, RECORDER RECORDED BY: GFS
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DECLARATION OF SCRIVENER'S ERROR

WHEREAS, Lawyers Title of Arizona, Inc., an Arizona Corporation, as Trustee under Trust 7775-T and Trust 6486-T, is the owner of those carrain lands in Pima County, Arizona originally described in Declaration of Covenants, Conditions, Restrictions and Ensements for Las Campanas which was recorded December 29, 1994 in Docket 9949 at page 2797 and shown on Exhibit "A" therein.

WHEREAS, said Restrictions above were Amended and Restated in instrument recorded March 16, 1995 in Docket 10001 at page 1844.

WHEREAS, said amendment contains a faulty Exhibit "A", which contains the wrong description.

NOW THEREFORE, the undersign does hereby correct the description attached to the amendment recorded March 16, 1995 in Docket 10001 at page 1844 with a new Exhibit "A".

THE AFFIANTS further sayeth not.

LAWYERS TITLE OF ARIZONA, INC. an Arizona corporation, as Trustee under Trust 1775-T and Trust 486-T

TRUST OFFICER

STATE OF ARIZONA

COUNTY OF PIMA

This instrument was acknowledged before me the undersigned authority on this day of August, 1995 by 1000 (Not 2000), on behalf of Lawyers Title of Arizona, Inc., an Arizona corporation, as Trustee under

Trust 7775-T and Trust 6486-T.

OFFICIAL SEAL
JENNIFER A. McCLURE
MOTARY PURLIC - ARIZONA
PRIMA COUNTY
NY CARR. (1800 NOV. 30. 1996

Notary Proble

My Commission Expires:

EXHIBIT "A"

NUMBER: 248,875

Section 10, Township 18 South, Range 13 Past, Gila and Salt River Base and Meridian, Pima County, Arizona.

EXCEPT THEREFROM that portion having been conveyed to Pima County by Deed recorded in Docket Book 4955 at page 360, and more particularly described as follows:

All that portion of Section 10, Township 18 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

EMINING at the Northeast corner of said Section 10;

THENCE South 0 degrees 13 minutes 28 seconds West a distance of 1364.25 feet record (1369.10 feet measured) to a point on the Northwesterly boundary of San Ignacio de La Canoa Land Grant;

THENCE South 23 degrees 19 minutes 50 seconds West and along the above described land grant boundary a distance of 191.11 feet record (191.80 feet measured) to the TRUE POINT OF BEGINNING;

THENCE continue South 23 degrees 19 minutes 50 seconds West a distance of 387.36 feet to a point;

THENCE North 89 degrees 46 minutes 32 seconds West a distance of 464.19 feet to a point;

THENCE North 0 degrees 57 minutes 36 seconds West a distance of 856.47 feet to a point;

THENCE South 89 degrees 46 minutes 32 seconds East a distance of 533.91 feet to a point;

THENCE South 0 doorses 13 minutes 28 seconds West a distract of 500.00 feat to the TRUE POINT CF BEGINNING.

AND FURTHER EXCEPT THEREFROM that portion having been conveyed to Pima County by Deed recorded in Docket Book 5161 at page 521, and more particularly described as follows:

Continued...

ORDER NUMBER: 248,875

EDGINING at the Northeast corner of Section 10, Township 18 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona;

THENCE South 0 degrees 13 minutes 28 seconds East a distance of 1364.25 feet record (1369.10 feet measured) to a point in the Northwesterly boundary of San Ignacio de La Canoa Land Grant;

THENCE Southwesterly along the said land grant boundary a distance of 191.11 feet record (191.80 feet measured) to a point in the Westerly right of way of La Canada Drive;

THENCE Southwesterly along the said land grant boundary a distance of 387.36 feet to the TRUE POINT OF EXTENDING:

THENCE North 89 degrees 46 minutes 32 seconds West a distance of 464.49 feet to a point;

THENCE South 0 degrees 57 minutes 36 seconds East a distance of 1041.50 feet record (1037.90 feet measured), more or less, to a point in the Northwesterly boundary of the San Ignacio de La Canoa Land Grant;

THENCE Northeasterly along the said land grant boundary a distance of 1140.52 feet record (1128.19 feet measured), more or less, to the TRUE POINT OF BRIDNING.

AND FURTHER EXCEPT THEREFROM those portions having been conveyed to Pima County by Deed recorded in Docket Book 7057 at page 986, described as follows:

The North 75.00 feet of Section 10, Township 18 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, and

That portion of South La Canada Drive on record at the Pima County, Arizona Recorder's Office in Book 10 at page 92 of Road Maps lying within Section 10, Township 18 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

Continued ...

EXHIBIT "A"

ORDER NUMBER: 248,875

AND FURTHER EXCEPT THEREFROM that portion known as Esperanza Boulevard.

AND FURTHER EXCEPT THEREFROM those certain four wall-site tracts more particularly described in the Deed and Easement by and between Richland Development Comporation as Grantor and Cyprus Slerrita Comporation as Grantes and recorded in Book 7753, pages 864 thru 877 of the office of the Pima County Recorder, and shown as Items 7 thru 10 of page 868 thereof.

F. PNN ROTRIGHEZ, VECCROE! RECORDED BY: LMD

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ADDENDUM TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOF, LAS CAMPANAS

WHEREAS, Lawyers Title of Arizona, an Arizona corporation, as Trustee under Trust 7775-T and Trust 6486-T, is the owner of those certain lands subject to Pima County Final Plat, Case Number CO 12-94-80 (Las Campanas Black I, Lots 1 through 96, and Common Areas A and B within Block I's boundaries), being the following described real property:

Las Campanas, Block I Lots I through 96 and Common Area A, a Subdivision of a portion of Section 10, Township 18 South, Range 13 East, Gila and Salt River Base and Meridian, as recorded in Book 47 of Maps and Plats at rage 17 in the Pima County Recorder's Office.

The owners do hereby certify and declare that they have established and do hereby establish the following addendum to that Amended and Restated Declaration of Covenants. Conditions, Restrictions and Easements for Las Campanas, recorded in Docket 10,001 at Pages 1844 through 1919:

- That the Final Plat described herein is encumbered and governed by those 1. Covenants, Conditions and Restrictions referenced herein.
- That said Covenants, Conditions and Restrictions shall run with the land and be binding on the property herein described.

LAWYERS TITLE OF ARIZONA. INC... an Arizona corporation, as Trustee under Trust 7773 and Trust 6486-T

By:

Its:

o.add/c:\dbk\m\i

STATE OF ARIZONA)
) ss.
County of Pima)

This instrur ent was a mowledged before me the undersigned authority on this 16th day of June, 1995 by Doris J. Clark, on behalf of Lawyers Title of Arizona, Inc., an Arizona corporation, as Trustee under Trust 7775-T and Trust 6486-T.

Notary Public

My Commission Expires:



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F. ANN RODRIGUE RECORDED BY: GIri

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

LAS CAMPANAS

This document amends, restates, and revokes in its entirety that certain Declaration of Covenants, Conditions, Restrictions and Easements for Las Campanas which was recorded in the Pima County Recorder's Office on December 29, 1994 as Document No. 94234048 at Docket No. 9949 at Page 2797.

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAS CAMPANAS

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS is executed to be effective as of the <u>March</u>, 1995, by LAWYERS TITLE OF ARIZONA, INC., an Arizona corporation, as Trustee under Trust 7775-T.

RECITALS:

- A. Declarant is the owner of the Property in Pima County, Arizona, to be known and developed under the name of "Las Campanas".
 - B. Declarant desires to develop Las Campanas as a planned area development.
- C. As part of the development of Las Campanas and without obligation to do so, Declarant intends to dedicate portions of Las Campanas to the public and to Record various additional covenants, conditions and restrictions apart from this Declaration in the form of separate Tract Declarations which shall cover certain portions of Las Campanas to be specified in such Tract Declarations.
- D. Declarant desires and intends that the Property shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions in this Declaration, which: (i) are for the purpose of protecting the value, desirability and attractiveness of the Property; (ii) shall run with all of the real property comprising the Property; (iii) shall be binding on all parties having any right, title or interest in the Property, or any part thereof; and (iv) shall inure to the benefit of the aforementioned parties and their successors and assigns.
- E. Declarant desires to form an Arizona non-profit corporation to be known as the "Las Campanas Community Association", which shall be the "master association" for the purposes of, among other things: (i) holding title in fee or otherwise to the Common Areas; (ii) the efficient preservation of the values and amenities of the Property; (iii) establishing, collecting, disbursing and enforcing the Assessments created herein; and (iv) administering and enforcing use and other restrictions imposed on various individuals and parts of Las Campanas.
- F. Until such time as the Association is incorporated, Declarant shall and does hereby reserve to itself, its successors and assigns, the right to exercise the powers, rights and duties granted to or imposed upon the Association under this Declaration.

NOW, THEREFORE, Declarant hereby declares, covenants and agrees as follows:

ARTICLE 1

DEFINITIONS

As used in this Declaration, the following terms shall have the following meanings:

- 1.1 "Adjustment Date" shall mean January 1 of each year during the period this Declaration remains in effect.
- 1.2 "Agency" or "Agencies" shall mean the Federal Housing Administration ("FHA"), the Veterans Administration ("VA"), the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and any other governmental financial agencies or financial institutions.
- 1.3 "Annual Assessments" shall mean the annual assessments levied by the Board pursuant to Section 7.2 of this Declaration.
- 1.4 "Apartment Development" shall mean a development comprised or to be comprised of Apartment Units and surrounding real property for the use of the residents of the Apartment Units, all of which is intended to be under the same ownership.
- 1.5 <u>"Apartment Parcel"</u> shall mean a Parcel designated in a Tract Development as having a Residential Apartment Development land use classification or a Parcel on which no Tract Declaration has yet been Recorded, but which is designated Medium High Density Residential on the Specific Plan.
- 1.6 "Apartment Unit" shall mean a Dwelling Unit located on an Apartment Parcel, the occupancy of which is governed by a rental agreement.
- 1.7 <u>"Articles"</u> shall mean the Articles of Incorporation of the Association, as amended or restated from time to time, on file with the Arizona Corporation Commission.
- 1.8 "Assessments" shall mean all Annual Assessments, Capital Improvement Assessments, Special Assessments, Maintenance Assessments and Recreational Facility Assessments.
- 1.9 "Assessment Lien" shall mean all the charge and continuing servitude and lien against a Lot or Parcel for payment of Assessments as described in Article 7 of this Declaration.
- 1.10 "Assessment Period" shall mean each period for which Assessments are to be levied against a Lot or Parcel pursuant to this Declaration, as more particularly described in Section 7.12 below.

- 1.11 "Association" shall mean the "Las Campanas Community Association", an Arizona non-profit corporation, its successors and assigns.
- 1.12 "Association Rules" shall mean the reasonable rules and regulations adopted by the Association pursuant to Section 5.5 of this Declaration.
 - 1.13 "Board" shall mean the Board of Directors of the Association.
- 1.14 "Bylaws" shall mean the Bylaws of the Association, as amended or restated from time to time.
- 1.15 "Capital Improvement Assessment" shall mean the amount which is to be paid by each Member representing such Member's proportionate share of the cost to the Association for extraordinary expenses or for the installation or construction of any capital Improvements on any of the Common Areas which the association may from time to time authorize pursuant to the provisions of Section 7.6.
- 1.16 "Common Areas" shall mean all real property and the Improvements or amenities thereon, all easements and licenses, and all personal property and facilities (including a Recreational Facility if one is provided by the Association), which shall from time to time be constructed, owned, controlled or operated by the Association for the common use and enjoyment of the owners (including, but not limited to, areas used for landscaping, flood control, drainage, bicycle, golf cart or jogging paths, parks, monuments, recreational areas, open space, walkways, hiking trails, equestrian trails and pedestrian and vehicular ingress and egress), or with respect to which the Association has administrative, maintenance or other similar responsibilities.
- 1.17 "Compound" shall mean a consolidation of Lots by re-platting, or a re-platting of two or more contiguous Lots to permit a clustering or other relocation of dwellings. A Compound may have commonly owned amenities as permitted and in accordance with the Design Guidelines.
- 1.18 "Condominium Parcel" shall mean a Parcel designated in a Tract Declaration as having a Residential Condominium Development land use classification or a Parcel on which no Tract Declaration has yet been Recorded, but which is designated Medium High Density Residential on the Specific Plan.
- 1.19 "Condominium Unit" shall mean a Dwelling Unit constituting a "unit" in a "condominium", together with any appurtenant interest in all "common elements", as such terms are defined in Chapter 9, Title 33, Arizona Revised Statutes, as amended.
 - 1.20 "County" shall mean Pima County.

- 1.21 "Declarant" shall mean Lawyers Title of Arizona, Inc., an Arizona corporation, as Trustee under Trust No. 7775-T, and its successors and assigns who have been designated in writing by Declarant as the successor to all or a portion of Declarant's rights hereunder.
- 1.22 "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions and Easements, as amended or supplemented from time to time.
- 1.23 "Delinquent Amount" shall mean any Assessment(s), or installment thereof, not paid when due.
- 1.24 "Design Guidelines" shall mean the rules and regulations adopted, amended and supplemented by the Design Review Committee.
- 1.25 "Design Review Committee" shall mean the committee formed pursuant to Article 11 of this Declaration.
- 1.26 "Developer Owner" shall mean a Person in the business of developing, leasing, and/or selling real property and who has acquired two or more Lots or Parcels in connection with and in the course of business, for the purpose of developing, leasing or selling such Lots or Parcels, and who has been designated in writing by Declarant as a successor to all or a portion of the Declarant's rights hereunder. The rights of the Developer Owner hereunder may be assigned by written instrument duly Recorded.
- 1.27 "Dwelling Unit" shall mean any building, or part thereof, situated upon a Lot or Parcel and intended for use and occupancy as a residence by a Single Family.
- 1.28 <u>"Event of Foreclosure"</u> shall mean the foreclosure, the acceptance of a deed in lieu of foreclosure, or the transfer of title by trustee's deed at a trustee's sale in regard to a mortgage, deed of trust or other encumbrance superior in priority to an Assessment Lien pursuant to Article 8 of this Declaration.
- 1.29 <u>"Exempt Property"</u> shall mean portions of the Property not subject to Assessments, which shall be the following areas now or hereafter located within Las Campanas:
 - 1.29.1 all Government Property;
- 1.29.2 a Parcel designated in a Tract Declaration as having a land use classification of School Use, unless and to the extent it is otherwise indicated in the applicable Tract Declaration.
- 1.29.3 all Common Areas for so long as Declarant or the Association is the owner thereof; and
 - 1.29.4 all Limited Common Areas.

- 1.30 <u>"Fair Housing Act"</u> shall mean the Fair Housing Act and its Amendments of 1988. Public Law 100-430, 42 U.S.C. § 360I, et seq., as further interpreted by Rules and Regulations of the Department of Housing and Urban Development promulgated January 23, 1989 at page 3290 which rules and regulations are incorporated herein by reference and which laws and regulations have been adopted in substantial conformity by Arizona Revised Statutes § 41-1491.04.
- Farmers Investment Company, Duval Corporation, and Anamax Mining Company and the agreement dated April 1, 1986, in Book 7753 at page 878, between Duval Corporation, Richland Development Corporation and Cyprus Sierrita Corporation, which creates certain obligations for the metering of and payment for groundwater and which subjects the Property to a Declaration of Reservations, Easements, and Covenants, Recorded November 20, 1979, in Book 6179 at page 719 and re-Recorded February 26, 1980 in Book 6223, pages 671-727 of the records of Pima County, Arizona.
- 1.32 <u>"First Mortgage"</u> shall mean the holder of any mortgage under which the interests of any Owner of a Lot or Parcel is encumbered and which mortgage has first and paramount priority (referred to herein as a First Mortgage), subject only to the lien of general or ad valorem taxes and assessments and such other matters as are recognized in such First Mortgage as permitted exceptions.
- 1.33 "Funds" shall mean all funds and property collected and received by the Association from any source.
- 1.34 "Government Property" shall mean all land and Improvements owned by or dedicated to a public or governmental agency, political subdivision, quasi-municipality, district, or authority (collectively the "authority") for so long as the authority is the owner or beneficiary thereof, except for land or Improvements, or both, owned and/or operated by an authority acting in a proprietary capacity.
- 1.35 "Green Valley Recreation, Inc." shall mean the organization formed as Green Valley Recreation, Inc., which was formed for the purpose of owning and operating recreational facilities and services designed to meet the physical and social needs of the elderly residing within certain specified areas.
- 1.36 "Improvements" shall mean all buildings and structures, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, ponds, lakes, recreational facilities, signs, changes in any exterior color or shape, excavation and all other site work, including, without limitation, grading, road construction, utility Improvements, removal of trees or plantings, and any new exterior construction or exterior Improvements which may not be included in the foregoing. "Improvements" does not include turf, shrub, or tree repair or replacement of a magnitude which does not change exterior colors or exterior appearances.

"Improvements" does include both original Improvements and all later changes and Improvements.

- 1.37 "Land Use Classification" shall mean the classification to be established by the Declarant pursuant to the Specific Plan, which designates the type of Improvements which may be constructed on a Lot, Parcel or Association Land and the purposes for which such Improvements and surrounding land may be utilized.
- 1.38 <u>"Las Campanas Documents"</u> shall mean the basic documents creating and governing Las Campanas, including, but not limited to, this Declaration, the Articles and Bylaws of the Association, the Design Guidelines, Association Rules, and any procedures, rules, regulation and policies adopted under such documents by the Association or the Design Review Committee.
- 1.39 <u>"Lease"</u> shall mean a lease, whether oral or written and regardless of the term thereof, whereby the Owner of an Apartment Unit in an Apartment Development lets a Dwelling Unit to a Lessee.
- 1.40 <u>"Lessee"</u> shall mean the lessee under a Lease, including an assignee of a Lease but excluding any person who has assigned all of his interest in a Lease.
- 1.41 "Limited Common Areas" shall mean all areas of any Parcel now or hereafter designated on a Tract Declaration or a Recorded subdivision plat as an area to be used in common by the Owners or Occupants of a particular Parcel or subdivision (which areas shall also be maintained by and at the expense of the Owners or Occupants of such Parcel or subdivision, or by a homeowners' or similar subsidiary association established with respect to such Parcel or subdivision), so long as such areas are so used and maintained.

1.42 "Lot" shall mean:

1.42.1 Unless otherwise indicated by the context, shall first mean and refer to an area of real property designated as a "Lot" on a Recorded subdivision plat covering any Parcel, or a portion thereof, which area of real property is limited by a Tract Declaration, Specific Plan, or other Recorded instrument to Single Family residential or Residential Cluster use together with a Dwelling Unit, if any, thereon; or

1.42.2 A Residential Condominium Unit.

- 1.43 "Maintenance Assessments" shall mean the assessments, if any, levied by the Board pursuant to Sections 7.8, 7.9 and 7.10 of this Declaration.
- 1.44 "Master Assessment Schedule" shall mean the Declarant's scheduled plan of development and appropriation of assessments and Memberships for each Lot or Parcel as set

forth in the Specific Plan and as more particularly described on Exhibit "B" attached hereto and incorporated by this reference and such addition thereto as may be amended from time to time.

- 1.45 "Maximum Annual Assessment" shall mean the amount established by or in accordance with Section 7.5 of this Declaration.
- 1.46 "Member" shall mean (when so capitalized) any Owner, including Declarant, for so long as Declarant is a Class A or Class B Member or every Person who holds membership in the Association pursuant to Article 6 of this Declaration.
- 1.47 "Membership" shall mean a membership in the Association and the amalgam of rights and duties of Owners, including Declarant, so long as Declarant is a Class A or Class B Member, with respect to the Association.
- 1.48 "Net Acre" shall mean a gross acre less any dedicated rights-of-way and Common Areas.
 - 1.49 <u>"Non-Developer Owner"</u> shall mean any Owner who is not a Developer Owner.
- 1.50 "Non-Residential Parcel" shall mean a Parcel designated in a Tract Declaration as having a land use classification other than Residential Apartment Development, Residential Condominium Development or Single Family Residential Development or a Parcel on which no Tract Declaration has yet been Recorded, but which is designated for non-residential use on the Specific Plan.
- 1.51 "Occupant" shall mean any Person, other than an Owner, occupying a Parcel or Lot, or any portion thereof or building or structure thereon, as a Resident, Tenant, Lessee, licensee or otherwise, other than on a merely transient basis.
- 1.52 "Open Space" shall mean all real property designated as open space on any Plat of Las Campanas or any Tract Declaration and any real property owned by Declarant in Pima County which is to remain unplatted, natural open space after completion of all platting by Declarant, or subsequent Developer Owner in accordance with the Specific Plan.
- 1.53 "Owner" shall mean (when so capitalized) the Record holder of legal title to the fee simple interest in any Lot or Parcel or, in the case of a Recorded "contract" (as that term is defined in A.R.S. §33-741(2)), the holder of Record of the purchaser's or vendee's interest under said contract, but excluding others who hold such title merely as security. If fee simple title to a Lot or Parcel is vested of Record in a trustee pursuant to A.R.S. §33-801 et seq. for purposes of this Declaration, legal title shall be deemed to be held by the trustor (or the trustor's successor of Record), and not by the trustee. An Owner shall include any Person who holds Record title to a Lot or Parcel in joint ownership or as an undivided fee interest.

- 1.54 "Parcel" shall mean each area of the Property shown as a separate piece of real property on the Specific Plan, provided however, that in the event a Parcel is split in any manner into portions under separate ownership, each portion under separate ownership shall thereafter constitute a separate Parcel. The term Parcel shall also include an area of land within Las Campanas as to which a Tract Declaration has been Recorded designating the area for Single Family Residential use or Residential Cluster use but which has not yet been subdivided into Lots and related amenities and rights-of-way, but any such area shall cease to be a Parcel upon the Recordation of a subdivision plat or other instrument covering the area and creating Lots and related amenities. A Parcel shall not include a Lot, any Exempt Property or any Association Common Areas but, in the case of staged developments, shall include areas not yet included in a subdivision plat, condominium declaration or other Recorded instrument creating Lots and related amenities. A Parcel includes Non-Residential Parcel and a Land Use Classification of Apartment Development is a Parcel, however, it shall cease to be a Parcel if the Apartment Development is converted to Condominiums.
- 1.55 <u>"Person"</u> shall mean a corporation, partnership, joint venture, individual, trust or any other legal entity.
- 1.56 "Plat" shall mean any plat or survey affecting the Property filed in the office of the Recorder for Pima County, Arizona, as such plats or surveys may be amended from time to time.
- 1.57 "Property" shall mean the property more particularly described on Exhibit "A" attached hereto and incorporated by this reference and such addition thereto as may hereafter be brought within the jurisdiction of the Association.
- 1.58 <u>"Project"</u> shall mean any separately designated and developed area constructed upon a portion of the Property and comprised of discrete types of development or use, including without limitation, the following types or uses:
 - 1.58.1 A Residential Condominium Development;
 - 1.58.2 A hotel, motel, lodge, or similar building or group of buildings;
- 1.58.3 A Residential Apartment Development or residential rental building or group of buildings;
- 1.58.4 A residential development of duplex, group dwellings or single-family detached houses:
- 1.58.5 A residential development of townhomes or zero-lot-line homes for single-family use;
 - 1.58.6 A parking structure;

- 1.58.7 A commercial structure of any kind, including office, commercial condominium, retail, restaurant, lounge, or recreational uses; or
- 1.58.8 Any other separately organized semi-autonomous area such as a district, village, homeowners, neighborhood, block or community association, organized for a special purpose.
- 1.59 <u>"Project Assessments"</u> shall mean assessments levied pursuant to a specific Tract Declaration.
- 1.60 <u>"Project Association"</u> as applicable, shall mean any association established for a specific Project pursuant to a Tract Declaration or pursuant to a statement of purpose.
- 1.61 "Project Documents" shall mean the basic documents creating and governing a particular Project, including, but not limited to, a Tract Declaration, Articles of Incorporation and Bylaws of a Project Association, and/or a statement of purpose, of a Project Association, and/or, if any, procedures, rules, regulations or policies adopted under the Project Documents by the Project Association.
- 1.62 "Record, Recording, and Recorded" shall mean placing or having placed a document of public record in the Official Records of Pima County, Arizona.
- 1.63 "Recreational Facility" shall mean the private recreational facility constructed by Declarant and located on the Property and other Improvements commonly associated with the operation of a recreation facility, whether owned and operated by the Association or Green Valley Recreation, Inc. or a similar entity, which shall be designed to provide its members significant physical and social amenities for their benefit and in order to ensure compliance with the Fair Housing Act.
- 1.64 "Recreational Facility Assessment" shall mean the charges, fees, membership dues, costs, and other related expenses levied by the Board pursuant to Section 7.12 of this Declaration.
- 1.65 <u>"Recreational Facility Member"</u> shall mean any Owner or Person or Designated Person holding membership in the Recreational Facility.
- 1.66 <u>"Recreational Facility Membership"</u> shall mean a membership in the Recreational Facility and the amalgam of rights and duties, including dues, fees and costs, of belonging to the Recreational Facility.

1.67 "Resident" shall mean:

- 1.67.1 Each Tenant or Lessee who resides on the Property and the members of the immediate family of each Tenant or Lessee who reside on the Property;
- 1.67.2 Each Owner who resides on the Property and the members of the immediate family of each Owner who reside on the Property; and
- 1.67.3 Such persons as the Board, in its absolute discretion, may authorize, including, without limitation, guests of an Owner or Tenant.
- 1.68 "Residential Cluster" shall mean a Parcel designated in a Tract Declaration as having a Single Family Residential land use classification with townhomes or a dwelling group or a Parcel in which no Tract Declaration has yet been Recorded, but which is designated as Low or Medium Density Residential on the Specific Plan.
- 1.69 "Residential Condominium Development" shall mean a development comprised or to be comprised of Condominium Units and the surrounding Limited Common Areas generally known as common elements.
- 1.70 "Single Family" shall mean 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 unrelated persons, maintaining a common household.
- 1.71 "Single Family Parcel" shall mean a Parcel designated in a Tract Declaration as having a Single Family Residential land use classification or a Parcel on which no Tract Declaration has yet been Recorded, but which is designated Low or Medium Density Residential on the Specific Plan.
- 1.72 "Single Family Residential Development" shall mean a development comprised of Lots used or to be used for Single Family use.
- 1.73 "Special Assessments" shall mean a charge against a particular Member, an Owner, Parcel or Lot, directly attributable to such Member, Owner, Parcel or Lot, to reimburse the Association for costs incurred in bringing the Member, the Owner, Parcel or Lot in compliance with the provisions of this Declaration, the Articles, Bylaws, Association Rules, or Design Guidelines, or any other charges designated as a Special Assessment in this Declaration, the Articles, Bylaws, Association Rules, or Design Guidelines, together with attorneys' fees and other charges payable by such Member or Owner pursuant to the provisions of this Declaration, as provided in Section 7.11.
- 1.74 "Specific Plan" shall mean the standards and rules set forth in the Las Campanas Specific Plan, as adopted January 12, 1993, as the same may be amended from time to time, which have been prepared in accordance with Title 18, Chapter 18.90 of the Pima County

Zoning Code, as authorized by the Arizona Government Code, Title 11, Chapter 6, Article 2, Section 11-825, and establish the zoning for and govern the development of Las Campanas. A current copy of the then applicable Specific Plan shall be on file at all times in the Association office.

- 1.75 "Tenant" shall mean any person who occupies property located in Las Campanas under any type of letting arrangement but is not included in the definition of a Lessee.
- 1.76 <u>"Time Share"</u> shall mean the form of ownership of real property as set forth and governed by Arizona Revised Statutes, Article 9, §32-2197, et seq.
- 1.77 "Tract Declaration" shall mean any declaration of covenants, conditions and restrictions or like instrument of Record, Recorded by Declarant, any Developer Owner, or Owners after the Recording of this Declaration in regard to one or more Parcels, or portions thereof, or group(s) of Lots, which shall in all cases be consistent with and subordinate to this Declaration.
- 1.78 "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to an individual whose eyes are 6 feet above the ground and who is standing at natural grade ground level on property within the Property.

ARTICLE 2

PROPERTY AND PERSONS BOUND BY THIS DECLARATION

- 2.1 General Declaration. Declarant hereby declares that all of 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 and any Tract Declarations applicable thereto, as amended or modified from time to time. Notwithstanding the preceding sentence, except as expressly provided herein, Exempt Property shall not be subject to Assessments under this Declaration. This Declaration is declared and agreed to be in furtherance of a general plan for the development 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 the Property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners, Occupants and Lessees of the Property and their successors in interest, whether or not stated in any document or deed transferring any interest in any Parcel or Lot to or from such Owners, Occupants or Lessees. Nothing in this Declaration or in any Tract Declaration shall be construed to prevent Declarant from modifying any part of the Specific Plan.
- 2.2 <u>Association Bound</u>. Upon the incorporation of the Association, this Declaration shall be binding upon and benefit the Association, and its successors and assigns.

ARTICLE 3

AGE RESTRICTIONS, COVENANTS AND CONDITIONS APPLICABLE TO LOTS AND PARCELS WITH SINGLE-FAMILY RESIDENTIAL LAND USE CLASSIFICATION

- Age Restrictions. Declarant intends that all Dwelling Units located within the Property and described in this Declaration shall have an opportunity to comply with the provisions of the Fair Housing Act and the exemptions created therein (the "Exemption") concerning age restrictions. The Exemption is based, generally, upon a standard that at least one Occupant per Dwelling Unit must be 55 years of age or older. Certain exceptions are made in cases wherein at least 80% of the dwellings are so occupied. Accordingly, except as provided below, all Dwelling Units located within the Property shall be occupied by at least one person per household who is 55 years of age or older.
- 3.2 <u>Declarant's Exemption</u>. Notwithstanding the Provisions of 3.1, the Declarant reserves the exclusive right to sell and convey fewer than 20% of the residential Lots or Parcels for occupancy wherein at least one person will be at least 45 years of age or older (but not necessarily 55 years of age or older), so long as the Property shall continue to qualify for the Exemption as set forth in the Fair Housing Act and as explained in 100.304, et seq., of the rules and regulations promulgated January 23, 1989 and as set forth by Arizona law. Prior to the time that 25% of the residential Lots and Parcels within the Property have been sold and first occupied, the ratio of Dwelling Units occupied by persons younger than 55 years of age or 55 years of age or older shall not be considered relevant. However, at such time as at least 25% of all residential Lots and Parcels within the Property and shown on the Specific Plan have been sold and first occupied, at least 80% of the residential Lots and Parcels then occupied shall be occupied by at least one person 55 years of age or older, and as future sales by Declarant occur, then at least 80% of all residential Lots and Parcels shall continue to be occupied by at least one person per Dwelling Unit that is at least 55 years of age.
- 3.3 <u>Subsequent Transfers</u>. Subsequent to initial sales of residential Lots and Parcels by Declarant to any Owner (other than to Developer Owner), all resales of such Lots or Parcels shall be subject to the 55 years of age requirement, and it shall be a violation of the terms and provisions of this Declaration should any residential Lot or Parcel subsequently be sold or resold and not then be occupied by at least one person 55 years of age or older per Dwelling Unit. Except that should an occupant 55 years of age or older die and leave the Dwelling Unit to a surviving spouse or other companion previously residing with the decedent, then provided such surviving spouse or other co-habitant is at least 45 years of age, and provided at least 80% of the Dwelling Units shall continue to be occupied by at least one person 55 years of age or older, the Association may elect to allow the surviving spouse or co-habitant to remain the occupant of the Dwelling Unit without violation of this Declaration.
- 3.4 <u>Declarant</u>. In the event that Declarant should exercise its right, as set forth above, to sell and convey fewer than 20% of residential Lots or Parcels for occupancy by at

least one person per household 45 years of age or older (but not necessarily 55 years of age or older), then the grantee of the deed for the property affirms, by acceptance of the deed, that the lifestyle of the Occupants of the intended or existing Dwelling Units is believed to be compatible with mature lifestyle intended throughout the development as a whole.

- Owner of a residential Lot, Parcel or Apartment Unit, prior to reselling, reconveying or releasing the Lot, Parcel or Apartment Unit, to ascertain that after the purchase or lease, at least one occupant will be 55 years of age or older, and shall further confirm this fact to the Association; provided, however, that this paragraph 3.5 shall not apply to Declarant's reserved rights set forth above with regard to the Lots or Parcels.
- 3.6 Amending Age Restrictions. This Declaration, as it pertains to age restrictions, may only be amended with the written consent of the Declarant, except that after all Lots and Parcels have been sold by the Declarant, it may be amended by a 90% vote of the Members of the Association as defined in the Declaration and in the same fashion as set forth in the Declaration.
- 3.7 <u>Minors</u>. Nothing in this Declaration shall be construed to permit occupancy by minors. No minor (any person less than 18 years of age), shall reside in any Dwelling Unit for more than three months during any 12-month period.
- 3.8 Occupants. The occupancy regulations of this section dealing with both minimum age restrictions and the prohibition of minors applies to all Occupants, whether Owners, Residents, Lessees or Tenants, and to all leases as well as sales.
- 3.9 <u>Compliance</u>. On an annual basis, Owners, and Occupants if applicable, shall provide written verification to the Association that a Dwelling Unit is occupied by at least one person 55 years of age or older. It is understood that the ultimate responsibility for compliance with the provisions hereof rests with the Owners, and not the Association. The Association and its officers, directors, agents and employees shall have no liability whatsoever for compliance with the foregoing provisions, it being the duty of each Owner to comply therewith and ensure all Occupants comply therewith and make appropriate notification to the Association; each Owner acknowledges that the leasing of Dwelling Units and the pattern of resales of Dwelling Units can be difficult to control or predict, and that compliance with the aforementioned laws and with the Exemptions depends upon the cooperation of the Owners and Occupants as a whole.

ARTICLE 4

EASEMENTS AND RIGHTS OF ENJOYMENT IN THE COMMON AREAS

4.1 <u>Easements and Rights of Enjoyment</u>. Each Owner shall have a nonexclusive easement for use and enjoyment in and to the Common Areas, which nonexclusive easement

shall be appurtenant to and shall pass with the title to each Owner's Lot or Parcel. All Occupants shall have a nonexclusive, nontransferable temporary license to use and enjoy the Common Areas so long as they remain Occupants. The foregoing grants and rights are subject, among other things, to the following limitations:

- 4.1.1 The right of the Association to suspend the voting rights and the rights to recreational use and enjoyment of the Common Areas of any Owner or Occupant, as the case may be:
 - A. for any period during which an Assessment remains delinquent;
 - B. for a period not to exceed 60 days for any infraction of this Declaration, a Tract Declaration, the Design Guidelines or any Association Rules adopted pursuant thereto; or
 - C. for successive 60 day periods if any such delinquency or infraction is not corrected during any preceding suspension period;
- 4.1.2 Any Owner or Occupant, in accordance with the Association Rules and this Declaration, may delegate his or her rights of use and enjoyment in the Common Areas to the members of his or her family or his or her Occupants, employees (of a business located on the Property), customers (of a business located on the Property), or guests subject to the limitations set forth herein and in the Association Rules:
- 4.1.3 The right of the Association to limit the number of guests of an Owner or Occupant, or the number of Persons from a Non-Residential Parcel, who may use the Common Areas;
- 4.1.4 The right of the Association to charge reasonable admission, membership and other fees for the use of the Recreational Facility or other facility situated upon the Common Areas.
- 4.1.5 The right of the Association to regulate use of the Common Areas and convey any Association-owned/operated Recreational Facility located on the Common Area in accordance with this Declaration.

4.2 Ingress and Egress Over Certain Common Areas.

4.2.1 The Association may own land or maintain other Common Areas which are intended to be used for landscaping adjacent to streets in Las Campanas. Such landscaping area will often separate a Lot or Parcel from the street nearest to the Parcel, thereby creating a need for the Owner of the Lot or Parcel to have ingress and egress rights over the landscaping area in order to have access to the street. Therefore, Declarant hereby creates, grants and conveys to the Owner and Occupants of each Lot or Parcel, their agents, employees, guests and

invitees. a permanent, nonexclusive easement (an "Access Easement") for vehicular and pedestrian ingress and egress in, upon, and over and across such landscaping area (a "Landscape Tract"). At such time as the exact location of such Access Easement is determined with respect to a particular Lot or Parcel and approved in writing by Declarant or the Design Review Committee, as applicable, it shall be indicated on the Recorded subdivision plat or plats for the Lot or Parcel or on such other Recorded instrument as is acceptable to Declarant or the Design Review Committee, as applicable. For itself and the Association, Declarant retains and reserves the right to use each Landscape Tract for landscaping, drainage, irrigation lines, pedestrian, hiking, golf cart and bicycle paths, and other purposes which do not preclude the uses permitted herein.

- 4.2.2 At its sole cost and expense, and after obtaining prior written approval of the Design Review Committee, the Owner of a Lot or Parcel benefitted by such an Access Easement shall construct all necessary Improvements in connection with such Access Easement, and maintain such Improvements in good working order, condition and repair (including, without limitation, all cleaning, sweeping, re-striping and repairing of roadways) and in compliance with all applicable governmental regulations. During the construction phase of the Improvements on a Lot or Parcel; Declarant or the Association, as applicable, shall grant to the Owner thereof and its agents and employees, a temporary license to enter upon the applicable Landscape Tract as is reasonably necessary in order to construct such Improvements, and such Owner shall be fully responsible and liable for making any and all repairs and replacements of landscaping and other Improvements on such Landscape Tract caused by or resulting from such activities.
- 4.2.3 Unless Declarant or the Board authorizes the public dedication or transfer of all or any parts of such an Access Easement to a municipal corporation, the Owner of the Lot or Parcel to which such Access Easement is appurtenant (or Declarant or the Board, if such Owner fails to do so), shall on an annual basis prohibit the use of such Access Easement by the general public during a 24 hour period.
- 4.2.4 Each Owner, its successors, assigns and grantees, hereby agrees to indemnify and hold harmless Declarant, its successors and assigns, and the Association, from and against any and all damages, costs and liabilities, including, without limitation, attorneys' fees, mechanic's and materialmen's liens, real estate taxes and assessments, arising out of or in connection with the Access Easement appurtenant to such Owner's Lot or Parcel.
- 4.3 <u>Recorded Easements</u>. The Property, and all portions thereof, shall be subject to all easements shown on any Recorded Plat affecting the Property, or any portion thereof, and to any other easements of record or of use as of the date of Recordation of the Declaration.
- 4.4 <u>Easements for Encroachments</u>. The Property, and all portions thereof, shall be subject to an easement of up to 10 feet from the Lot lines or Common Area boundaries or Open Space boundaries for the actual extent of encroachments created by construction as designed or constructed by the Declarant or any Owner and for settling, shifting, and movement of any portion of the Property, except that no such easement is created for an encroachment which is

the result of willful conduct on the part of Declarant, an Owner, a Tenant, the Association, or any other Person or entity. Such encroachments shall not be considered to be encumbrances upon any part of the Property. Encroachments referred to include, but are not limited to, encroachments caused by error in the original construction of Improvements on any Lot or Parcel, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvements on the Property.

- 4.5 Utility Easements. There is hereby created a general easement upon, across, over, in, and under the Property for ingress and egress and for installation, replacement, repair. and maintenance of all utilities, including but not limited to water, sewer, gas. telephone. electrical, cable television, and a master communications system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical, water and telephone and other communication services to install and maintain necessary equipment on the . Property and to affix and maintain electrical, water, communications, and telephone wires. circuits, and conduits under the Property. No water, sewer, gas, telephone, electrical. or communications lines, systems, pumps, or facilities may be installed or relocated on the surface of the Property unless approved in writing by Declarant prior to termination of the Class B membership, or after such termination, by the Design Review Committee. Such utilities temporarily may be installed above ground during construction, if approved, in writing, by the Declarant or the Design Review Committee as stated above. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Owners, the Association, and the Declarant; shall prosecute its installation and maintenance activities as promptly and expeditiously as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, either Declarant or the Association shall have, and are hereby given, the right and authority to grant such easement upon, across, over. or under any part or all of the Property without conflicting with the terms of this Declaration. This general easement shall in no way affect, avoid, extinguish, or modify any other Recorded easement on the Property.
- 4.6 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interest of all the Owners and the Association, in order to serve all the Owners within Las Campanas as initially built and expanded. Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility and other easements, and to create other reservations, exceptions, and exclusions convenient or necessary for the use and operation of any other property of the Declarant, as long as such action does not hamper the enjoyment of Las Campanas, as built or expanded, by the Owners.

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- 4.7 <u>Emergency Easement</u>. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.
- 4.8 <u>Maintenance Easement</u>. An easement is hereby reserved to the Declarant, and granted to the Association, and any member of the Board of Directors or Manager, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Lots and Parcels and a right to make such use of the Lots, and Parcels as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Las Campanas Documents, including the right to enter upon any Lot or Parcel for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Lot, or Parcel as required by the Las Campanas Documents and not be guilty of trespass.
- 4.9 <u>Drainage Easement</u>. An easement is hereby reserved to Declarant and granted to the Association, its officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and the Declarant, as applicable, to the extent possible, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. Declarant, or its officers, agents, employees, successors and assigns must inform and obtain the approval of the Board of Directors prior to undertaking such drainage work, which approval shall not be unreasonably withheld.
- 4.10 <u>Dedication of Common Areas</u>. Declarant may hereafter deed to the Association certain parts of the Property as Common Area intended for common use by the Owners in Las Campanas. The designated areas are dedicated hereby to the common use and enjoyment of Owners, and their family, Tenants, employees, guests and invites, and not to the use of the general public.

ARTICLE 5

ORGANIZATION OF ASSOCIATION

- 5.1 <u>Formation of Association</u>. The Association shall be a non-profit Arizona corporation charged with the duties and vested with the powers prescribed by law and set forth in the Articles, the Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or interpreted so as to be inconsistent with this Declaration.
- 5.2 <u>Board of Directors and Officers</u>. 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. The initial Board and each Board thereafter for so long as there is a Class B Member of the Association shall consist of three Members or other persons, and Declarant shall have the right to appoint all such directors. Commencing with the first annual meeting of the Members when there is no longer a Class B Member, the Board shall consist of, and the voting Members shall elect, seven directors, all of whom must be Members (or an individual designated by a corporate, partnership or other non-individual Member). The foregoing reference to seven directors may be subject to increase or decrease in the number of directors as provided in the Bylaws or by majority vote of the Members present at the annual meeting, except that at no time shall the number of directors be fewer than three or exceed nine. The term of each of the directors shall be for one year until there is no longer a Class B Member. Thereafter, the initial terms shall be four directors for a one-year term and three directors for a two-year term, thus establishing a staggered Board. In succeeding years, all directors shall be elected for a two-year term. The Board may appoint various committees at its discretion. The Board may also appoint or engage a manager to be responsible for the day-to-day operation of the Association and the Common Areas. The Board shall determine the compensation to be paid to the manager.

- 5.3 Association's Responsibility for Common Areas. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the management and control of the Common Areas dedicated under Section 4.10 above and all Improvements of the Common Areas (including furnishings and equipment related thereto), and all areas set forth in Section 10.1, and shall keep it in good, clean and attractive condition and repair consistent with the requirements of a first-class residential, commercial and recreational community, pursuant to the terms and conditions of this Declaration.
- 5.4 <u>Association's Responsibility for Compliance with Fair Housing Act.</u> The Association, subject to paragraph 3.9 above, shall be responsible for monitoring the age of Occupants of Dwelling Units to ensure that Owners are in compliance with the age restriction covenants and/or Fair Housing Act. This shall include, but not be limited to, annually conducting by a survey by providing a questionnaire to all Dwelling Unit Owners.
- Agreement. Pursuant to the FICO Agreement and (i) that certain Agreement of Purchase and Sale dated October 13, 1987, and (ii) that certain Covenant Running With The Land, dated April 10, 1989, in book 8513 at page 1213 (collectively hereinafter the "Land Bank Covenant"), for any groundwater pumped from or used on the Property, a Proportional Share of an Annual Payment and Overage Payment is required to be made by Declarant, as an assignee of Land Bank Properties, Ltd., to Richland Development Corporation.

Upon Recordation of the Declaration, the Declarant hereby delegates and the Association specifically assumes all of Declarant's obligations for the Proportional Share of the FICO Annual Payment, Overage Payments, and costs, as determined by the Land Bank covenants, and all related obligations created therein (collectively referred to hereinafter as the "FICO Payments"). Each capitalized term used in this Section which is not defined herein shall have the meaning assigned to it in the FICO Agreement.

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Notwithstanding any other provision in this Declaration, this Section 5.5 may not be amended without the consent of Declarant.

- Association Rules. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations to be known collectively as the Association Rules. The Association Rules may restrict and govern the Property, all Members, the private property outside of the private structural walls of a Dwelling Unit, the use of the Common Areas, and contract for the use of certain private and public services for Owners, provided, however, that the Association Rules shall not discriminate among Owners and Occupants except to reflect their different rights and obligations as provided herein, and shall not be inconsistent with this Declaration, the Articles or the Bylaws. The Association Rules shall be intended to benefit the Owners and Members, and to enhance the preservation and development of the Property and its exterior surroundings, the Common Areas and the Limited Common Areas. Upon adoption, the Association Rules shall have the same force and effect as if they were set forth herein. A copy of the Association Rules, as adopted, or amended, shall be available for inspection, by appointment only, at the office of the Association.
- 5.7 <u>Personal Liability</u>. Neither the Declarant, nor any Board member, officer, committee member, employee, managing agent and/or managing agents' personnel, representative of the Association, or the Association, shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, costs, fees (including reasonable attorneys' fees), or prejudice suffered or claimed on account of any of their acts, omissions, errors or negligence, provided, however, that 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.
- 5.8 <u>Managing Agent</u>. All powers, duties and rights of the Association or the Board, as provided by law and herein, may be delegated to a managing agent under a management agreement; provided, however, that no such delegation shall relieve the Association of its obligation to perform any such delegated duty. Any agreement for professional management shall not exceed a term of one year, which term may be renewed by agreement of the parties for successive one-year periods. Any such agreement shall provide for termination by either party with or without cause and without payment of a termination fee upon 90 days' written notice; provided, however, that the Association may terminate the agreement for cause upon 30 days' written notice. The Association is expressly authorized to contract with Declarant or a Developer Owner or an affiliate of Declarant or a Developer Owner, to provide management services or to perform other duties of the Association or Board.
- 5.9 Records and Accounting. The Association shall keep, or cause to be kept, true and correct books and records of account at the sole cost and expense of the Association in accordance with generally accepted accounting principles. Such books and records, together with current copies of this Declaration, the Articles, Bylaws and Rules shall be available for

inspection by all Owners and First Mortgagees of record at reasonable times, by appointment only, during regular business hours.

5.10 Mergers or Consolidations. The Association shall have the right, power and authority to participate in mergers or consolidations with any other non-profit corporation whose objectives, methods and taxable status and format of operation are similar to those of the Association (a "Merger Candidate"). Merger or consolidation of the Association with a Merger Candidate must be approved in advance by Members holding at least 2/3 of the votes in each class of Members of the Association, whether in Person or by proxy, at a meeting duly called for such purpose. The Association's properties, rights and obligations shall be transferred to and assumed by the surviving or consolidated corporation by operation of law, or, alternatively, the properties, rights and obligations of the Merger Candidate shall be transferred by operation of law to the Association as the surviving corporation. The surviving or consolidated. corporation, at a minimum, shall have the same administrative responsibilities and enforcement rights established by this Declaration in regard to the Property. In addition, for so long as there is a Class B Member and to the extent Declarant has theretofore sought the approval of an Agency in regard to the Association, any such merger or consolidation will be subject to the approval by such Agency if so required by the rules and regulations of the Agency.

ARTICLE 6

MEMBERSHIPS AND VOTING

- 6.1 <u>Votes of Owners of Lots and Parcels</u>. Other than the Declarant, every Owner of a Lot or Parcel which is subject to assessment automatically shall be a Class A Member of the Association and shall remain a Member for so long as such ownership continues. As set forth in detail in the Master Assessment Schedule or Tract Declaration (as applicable), each Owner (other than Declarant) shall have the following applicable number of votes in regard to votes of the Members of the Association:
 - 6.1.1 One Membership for each Lot owned by the Member;
- 6.1.2 Six Memberships for each acre (43,560 square feet) or fraction thereof in each Parcel owned by the Member, except any Parcels which have a land use classification of Single Family Residential, Residential Cluster, Apartment Development or Residential Condominium Development;
- 6.1.3 One Membership for each completed Apartment Unit owned by the Member:
- 6.1.4 In the case of (i) the Owner of a Parcel designated for use as an Apartment Development but as to which construction has not been completed, or (ii) the Owner of a Parcel designated for Condominium Development but as to which a Condominium

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Declaration has not been Recorded, one Membership for each Dwelling Unit permitted under the Master Assessment Schedule, the number of such Dwelling Units to be determined on the assumption that the number of Dwelling Units within a density classification under the Master Assessment Schedule or Tract Declaration (as applicable) will be spread evenly over all land within the density classification. If a site plan for the Parcel is subsequently approved by the Design Review Committee (and, if necessary, Pima County) for a number of Dwelling Units different than the number of Dwelling Units assumed under the Master Assessment Schedule or Tract Declaration (as applicable), the number of Memberships shall be adjusted accordingly and, as to the portion of the Parcel covered by the site plan and effective as of the date of adjustment, to reflect the actual number of Dwelling Units authorized by the site plan; and

In the case of the Ownership of a Parcel with a land use 6.1.5 classification of Single Family Residential or Residential Cluster, one Membership for each. Dwelling Unit permitted upon the Parcel under the Master Assessment Schedule or Tract Declaration (as applicable). If a site plan for the Parcel is subsequently approved by the Design Review Committee (and, if necessary, Pima County) for a number of Dwelling Units different than the number of Dwelling Units assumed under the Master Assessment Schedule or Tract Declaration (as-applicable), the number of Memberships shall be adjusted accordingly and. as to the portion of the Parcel covered by the site plan and effective as of the date of adjustment, to reflect the actual number of Dwelling Units authorized by the site plan. If a subdivision plat or other instrument creating Lots is Recorded covering all or part of the area within the Parcel, the Parcel shall be reduced in size by the area so platted and the number of Memberships held by the Owner, as Owner of the Parcel, shall be changed by a number equal to the number of Lots remaining in the Parcel under the correlating section of the Master Assessment Schedule. All Memberships attributable to the Parcel shall cease when the land area ceases to be a Parcel because all of the area in the Parcel has been platted or otherwise dedicated to the public and no unplatted Single Family Residential or Residential Cluster area remains within the Parcel.

Each such Membership shall be appurtenant to and may not be separated from ownership of the Lot or Parcel to which the Membership is attributable. There shall be only one Membership for each Lot, for each Apartment Unit and six for each acre (or fraction thereof) in a Non-Residential Parcel or commercial Parcel, which Memberships shall be shared by any joint Owners of, or Owners of undivided interests.

- 6.2 <u>Declarant</u>. Declarant shall be a Member of the Association for so long as it holds a Class A or Class B Membership.
 - 6.3 Voting Classes. The Association shall have two classes of voting Memberships:
- 6.3.1 <u>Class A</u>. Class A Membership shall be all Memberships except Declarant (until the conversion of Declarant's Class B Membership to Class A Membership as provided below). Subject to the authority of the Board to suspend a Membership's voting rights in accordance with the provisions hereof, a Class A Membership shall have the number of votes provided in Section 6.1.

- 6.3.2 <u>Class B</u>. The Class B Membership shall be held by Declarant. The Class B Member shall be deemed, with respect to Parcels or Lots owned by the Declarant to be entitled to the number of votes equal to three times the number of votes which would be attributable to the Lots and Parcels if issued to a Class A member, as determined pursuant to Section 6.1 above. Subject to the provisions of Section 12.4 below, the Class B Membership automatically shall cease and be converted to a Class A Membership upon the happening of the first of the following events:
 - A. at the first annual meeting after the date upon which the total votes of the Class A Memberships entitled to vote equals the total votes of the Class B Memberships;
 - B. the date which is 12 years after the date this Declaration is. Recorded; or
 - C. the date on which Declarant Records a written notice electing to convert the Class B Membership to Class A Membership.
- 6.4 Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes until the Board receives written notice of such change together with satisfactory evidence thereof. The vote for each Membership must be cast as a single unit. Fractional votes shall not be allowed. In the event that a Membership is owned by more than one Person and such Owners are unable to agree as to how their vote or votes shall be cast, they shall not be entitled to vote on the matter in question. If any Member casts a vote or votes representing a certain Lot, Parcel or Apartment Unit, the Member will thereafter be conclusively presumed to be acting with the authority and consent of all other owners of the same Membership unless objection thereto is made to the Board, in writing, at or prior to the time the vote or votes are cast. In the event more than one Person casts or attempts to cast a vote for a particular Membership, all such votes shall be deemed void.
- 6.5 <u>Members' Rights</u>. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the Bylaws, a Tract Declaration and any Association Rules and Design Guidelines adopted pursuant thereto, as the same may be amended from time to time.
- 6.6 <u>Transfer of Membership</u>. Except as otherwise provided in this Declaration, the rights, duties and obligations of a Class A Membership in the Association and/or a Recreational Facility Membership cannot and shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer or ownership of such Class A Member's Lot or Parcel. Such transfer may be effected by deed, intestate succession, testamentary disposition, foreclosure or other legal process authorized under Arizona law. Any attempt to make a non-approved form of transfer shall be void. Any transfer of ownership in a Lot or Parcel shall operate to transfer the Membership(s) appurtenant thereto to the new Owner.

- Association Use of Membership: Designees. Subject to the Association Rules, all of the owners of a Membership may designate one or more non-Members (herein referred to as a "Designee") to exercise all of the rights of the Member under this Declaration except the Member's voting rights, but such designation shall not relieve the Member of any liabilities or obligations as an Owner or with respect to the Membership. So long as such designation is in effect, the Member shall be permitted to exercise only his voting rights and the Board may, among other things, in its discretion, set maximum or minimum periods for which such designation may be in effect and limit the number of persons who may be so designated by any Member at any one time. The Designee need not be a Resident and need not live at Las Campanas unless the Board adopts rules requiring such residence.
- 6.8 <u>Cumulative Voting for Board Members</u>. In any election of the members of the Board, every owner of a Membership entitled to vote at such an election shall have the number of votes for each Membership equal to the number of directors to be elected, except that the Class B Member shall have the number of votes designated in Section 6.3.2 above times the number of directors to be elected. Each Member shall have the right to cumulate his votes for one candidate or to divide such votes among any number of the candidates. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

ARTICLE 7

ASSESSMENTS AND CREATION OF LIEN

Class A Owner of any Lot or Parcel within Las Campanas, by acceptance of a Deed therefor, whether or not it shall be so expressed in any such deed, is deemed to covenant and agree, and hereby covenants and agrees, to pay to the Association the Annual Assessment or charges, Special Assessments. Capital Improvement Assessment, Maintenance Assessments and the Recreational Facility Assessments for the Recreational Facility Membership fees (collectively the "Assessments") to be established and collected, if applicable, as hereafter provided in this Article 7. Declarant, so long as Declarant holds Class B membership, shall only be required to contribute to the Association such funds as may be required from time to time to meet any budget deficit for ordinary operating expenses.

The amount and time for payment of the Assessments shall be determined by the Board, pursuant to this Declaration and the Articles and Bylaws. The Assessments, together with a flat monthly late fee as established by the Board, interest thereon, and the costs and reasonable attorneys' fees, if any, incurred by the Association in connection with the enforcement and collection thereof or in otherwise enforcing this Declaration, shall be a charge and continuing servitude and lien upon the Lot or Parcel against which such Assessments are made and, in addition, shall be the personal obligation of the Owner of such Lot or Parcel at the time when such Assessments become due and payable. The personal obligation for delinquent assessments

shall not pass to the Owners' successors in title unless expressly assumed by them. The Assessment Lien is imposed and created by this Declaration and the Recording of a notice specifying the amount of a delinquent Assessment Lien shall not be necessary to create or enforce the Assessment Lien; however, the Association also has a right to Record the lien.

Notwithstanding any other provision of this Declaration to the contrary, no Assessments shall be levied upon or payable with respect to each Lot or Parcel owned by Declarant, until the Lot or Parcel has been conveyed to a Developer Owner, Owner, or a Tract Declaration is Recorded on each Lot or Parcel. In the event Declarant Records a Tract Declaration as a Developer Owner and completes construction on a Lot or Parcel, Declarant shall be obligated to pay the Assessments set forth for a Developer Owner in Section 7.3, provided that during any period when Declarant as a Developer Owner is paying reduced Assessments pursuant to this sentence, Declarant shall still be entitled to vote as a Class B Member. In the event the Association is unable to pay for its expenses, the Declarant shall contribute to the Association such funds as may be required from time to time to meet any budget deficit for ordinary operating expenses.

- Annual Assessments. The Association by and through the Board shall levy the Annual Assessments for the purposes set forth hereinbelow. The Annual Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Owners and Occupants, to enhance the quality of life within the Property, to preserve the value of the Property, to pay the costs of administration of the Association, to pay the costs of certain FICO Payments due in accordance with Section 5.5, to improve and maintain the Common Areas, private areas, and areas surrounding the Property boundaries, and to otherwise further the interests of the Association as the Board deems appropriate. Subject to the provisions of Section 7.5, the Board may, during an Assessment Period, revise the amount of the Annual Assessment in order to meet expenses which exceed the amounts previously budgeted by the Association and collect such increased Annual Assessment in accordance with Section 7.13 below.
- 7.2.1 If the estimated total Annual Assessments for the current year proves to be excessive in light of the actual expenses, the Association may, at the discretion of the Board, retain such excess as additional working capital, or reserves, reduce the amount of the Annual Assessments for the succeeding year, or abate collection of Annual Assessments for such period as it deems appropriate. No reduction or abatement of Annual Assessments because of any such anticipated surplus may diminish the quantity or quality, of services.
- 7.2.2 The reserves included in the expenses which are collected as part of the Annual Assessments shall be deposited by the Association in a separate bank account to be held for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Association, except to the extent that the Association's regularly employed accountant deems it desirable to do otherwise on the basis of standard accounting principles in similar contexts or the laws, tax or otherwise, of the State of Arizona or the United States relating to non-profit corporations, or homeowners' associations. Such reserves shall be deemed a contribution to the capital account of the Association by the Members. The

responsibility of the Board (whether while controlled by the Declarant or the Members) shall be only to provide for such reserves as the Board in good faith deems reasonable, and neither the Declarant, the Board, or any member thereof shall have any liability to any Owner or Member, or to the Association, if such reserves prove to be inadequate.

- 7.3 Uniform Rate of Assessment. The amount of any Annual Assessment, Recreational Facility Assessment or Capital Improvement Assessment against each Lot or Parcel shall be fixed at a uniform rate per Memberships appurtenant to the Lot or Parcel, except that the following Developer Owners shall pay only 25% of the Annual Assessment, Recreational Facility Assessment and/or Capital Improvement Assessment for a period of 36 months from the date of Declarant's conveyance of the Lot or a Parcel to a Developer Owner, then thereafter the Developer Owner shall pay only 40% of the Annual Assessments, Recreational Facility Assessment and/or Capital Improvement Assessments until the periods set forth hereafter:
- 7.3.1 The Developer Owner of a Lot shall pay only 25% or 40% (as applicable) of the Annual Assessment, Recreational Facility Assessment and/or Capital Improvement Assessment attributable to his Membership until the earlier of (i) the completion of the first Dwelling Unit on the Lot or (ii) six months from the commencement of construction of the first Dwelling Unit on the Lot.
 - 7.3.2 The Developer Owner of a Non-Residential Parcel shall pay only 25% or 40% (as applicable) of the Annual Assessments, Recreational Facility Assessment and/or Capital Improvement Assessment otherwise attributable to his Memberships under the Master Assessment Schedule until the earlier of (i) the completion of the first building on the Parcel, or (ii) six months from the commencement of construction of the first building on the Parcel.
- 7.3.3 The Developer Owner of a Parcel which is to be used as an Apartment Development or a Condominium Development (and for which the Condominium Declaration has not been Recorded) shall pay only 25% or 40% (as applicable) of the Annual Assessment, Recreational Facility Assessment and/or Capital Improvement Assessment otherwise attributable to each of his Memberships until the earlier of (i) an Apartment Development or Condominium Development has either been completed on the Parcel or (ii) six months have elapsed since construction of the Development was commenced.
- 7.3.4 The Developer Owner of a Parcel which, under a Tract Declaration, has been classified as Single Family Residential or Residential Cluster (and which remains a Parcel because it has not yet been subdivided) shall pay only 25% or 40% (as applicable) of the Annual Assessment and/or Capital Improvement Assessment otherwise attributable to each of the Memberships.

For purposes of this Section, a Dwelling Unit or other building shall be deemed completed when, in the opinion of the Board, the building is ready for occupancy or, in the case of a commercial rental building, ready for the making of interior tenant Improvements. If the Developer Owner of a Parcel or Lot ceases to qualify for the reduced 25% or 40%, as

applicable, rate during the period to which an Annual Assessment and/or Recreational Facility Assessment is attributable or the Parcel ceases to be a Parcel because it has been subdivided for Single Family Residential usage, the Assessment(s) attributable to a Membership shall be prorated between the applicable rates on the basis of the number of days in the period that the Developer Owner qualifies for each rate. Annual Assessments and Recreational Facility Assessments may be collected on a monthly, quarterly or annual basis and Capital Improvement Assessments may be collected as specified by the Board unless otherwise determined by the resolution of the Members of the Association Approving the Capital Improvement Assessment.

- 7.3.5 The Assessments shall commence as to all Lots or Parcels on the first day following the conveyance of the first Lot or Parcel to an Owner. The first Annual Assessments shall be prorated according to the number of months remaining in the calendar year. Assessments shall be collected on a periodic basis as the Board of Directors may determine from time to time, but until the Board directs otherwise, Assessments shall be payable quarterly in advance on the first day of each calendar quarter. Any Project Association may agree with the Association to collect Annual or Special Assessments of the Association as part of its Project Assessments and remit them to the Association on a timely basis. Collection of the Association's Assessments in this manner shall not prevent the creation of the Association's lien against any Lot or Apartment Unit or the Association's ability to enforce or collect its Assessments as provided under this Declaration if they are not remitted to the Association in a timely manner.
- 7.4 <u>Rate of Assessment</u>. Subject to Sections 7.5 and 7.6 hereof, the amount of the Annual Assessments and Capital Improvement Assessments shall be fixed by the Board, in its sole discretion, but, subject to this Section, always in the ratios, as among Owners of Lots or Parcels as set forth above in Section 7.3.
- 7.4.1 A Non-Developer Owner shall not be entitled to the reduced assessment rates provided in Section 7.3 and a Developer Owner shall be entitled to such reduced rates only if he is a Developer Owner with respect to the specific Parcel or Lot in question. If a Developer Owner ceases to qualify for the reduced payments provided for hereinabove during an Assessment Period, the Developer Owner shall immediately notify the Board, in writing, of the change in status. The failure of a Developer Owner to notify the Board of the change in status shall not prevent or preclude the reinstatement of the full payment obligation pursuant hereto from taking effect as of the applicable date as provided herein. The Association may from time to time request that any Developer Owner of property being assessed at a reduced rate furnish to the Association evidence that such Developer Owner continues to be entitled to a reduced assessment rate under this Section 7.3, and if such Developer Owner fails to produce such evidence within thirty (30) days following the date of the Association's request, or if such evidence as is furnished is unsatisfactory, in the Board's reasonable discretion, to demonstrate such Developer Owner's continued entitlement to the reduced assessment rate, the Board may terminate such reduced assessment rate as of the date reasonably deemed appropriate by the Board.

- 7.5 <u>Maximum Annual Assessment</u>. Subject to the provisions of Subsection 7.5.2 of this Section, the Board, in its sole and absolute discretion, shall each year estimate the total expenses anticipated for the coming year and shall determine the necessary level of reserve balances for ordinary and unexpected expenses, and shall determine the Annual Assessment necessary to generate the required revenues for expenses and reserves. The Annual Assessment determined to be necessary in any given year may be set at any amount less than or up to the maximum Annual Assessment permitted for such year. The Maximum Annual Assessment shall be determined as follows:
- 7.5.1 Until January 1 of the year following the Recordation of the first Tract Declaration, the Maximum Annual Assessment against each Owner shall be \$300.00 per each Membership.
- 7.5.2 Thereafter, except as provided in Section 7.5.3 below, the Maximum Annual Assessment for each Membership for any fiscal year of the Association may be equal to the Maximum Annual Assessment for the immediately preceding fiscal year, increased by the greater of:
 - A. 6% of the Maximum Annual Assessment for the Lot or Parcel in effect during the immediately preceding fiscal year; or
 - B. the percentage increase in the cost of living index for "All Items, All Cities" as reflected by the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor of the United States Department of Labor all Urban Consumers (hereinafter called the "Cost of Living Index Number"), whichever is greater. In the event that the Bureau of Labor Statistics should fail to publish a comparable Cost of Living Index Number during any such years, but a comparable Cost of Living Index Number shall be published by any governmental agency of the United States in place thereof, then such comparable index number shall be used for the purpose of adjusting the Maximum Annual Assessment under the provisions of this Section 7.5.2 with the same force and effect as the Cost of Living Index of the Bureau of Labor Statistics.
- 7.5.3 The Maximum Annual Assessment for an Assessment Period may be increased above the Maximum Annual Assessment for such Assessment Period otherwise determined under Section 7.5.2 above by an affirmative vote of Members holding at least two-2/3 of the votes in each class of Members represented in person or by proxy at a meeting of the Members of the Association duly called for such purpose.
- 7.6 <u>Capital Improvement Assessments</u>. In addition to the Annual Assessment, the Association may levy a Capital Improvement Assessment for the purpose of defraying, in whole

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or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement owned by the Association, or for defraying other extraordinary expenses, provided, however, that such Capital Improvement Assessment shall have the prior assent of 2/3 of the votes of each class of Members voting in person or by proxy at a meeting of the Association duly called for such purpose. Capital Improvement Assessments shall be assessed uniformly among the Members, as authorized in Section 7.3 hereof.

All amounts collected as Capital Improvement Assessments may only be used for capital Improvements or other extraordinary expenses and shall be deposited by the Association in a separate bank account to be held for such purposes. Said funds shall not be commingled with any other funds of the association and shall be deemed a contribution to the capital account of the Association by the Members.

- 7.7 Notice and Quorum for Any Action Authorized Under Sections 7.5 and 7.6. Written notice of any meeting of the Members of the Association called for the purpose of conducting a vote required under Sections 7.5 or 7.6 shall be sent to all Members not less than 30 days nor more than 60 days in advance of such meeting. At such meeting, the presence of Members or of proxies entitled to cast 60% of all the votes (exclusive of suspended voting rights) of each class of Members shall constitute a quorum. If the required quorum is not present, another meeting shall be called for such purpose, subject to the foregoing notice requirements, and the required quorum at the subsequent meeting shall be 51% of the quorum required at the initially scheduled meeting. The subsequent meeting shall be held within 60 days following the date of the initially scheduled meeting.
- 7.8 <u>Maintenance Assessments</u>. In addition to any Annual Assessment, Capital Improvement Assessment and the Assessments arising under Sections 7.9, 7.10, 7.11 and 7.12, the Board shall have the authority to levy and collect Maintenance Assessments for costs and expenses attributable to the special characteristics or needs of a particular Lot or Parcel if the Owner of a Lot or Parcel contracts with the Association for the Association to provide particular maintenance services in regard to such.
- 7.9 Assessment of Certain Maintenance Costs. In the event the need for maintenance or repair of areas maintained by the Association is caused through the wilful or negligent act or omission of any Owner, Occupant or Lessee (or of any other Person for whom such Owner or Lessee is legally responsible under applicable state law), the cost of such maintenance or repair shall be added to and become a part of the Assessments to which such Owner and such Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien, and by a Recorded Assessment Lien if deemed appropriate by the Board.
- 7.10 Improper Maintenance and Use of Lots and Parcels. In the event any portion of any Lot or Parcel is maintained so as to present a nuisance, or substantially detracts from or affects the appearance or quality of any neighboring Lot, Parcel or other area, or is used in a manner which violates this Declaration or any applicable Tract Declaration, or in the event the Owner, Occupant or Lessee of any Lot or Parcel fails to perform such Owner's obligations

under this Declaration. any applicable Tract Declaration, the Association Rules, or the Design Guidelines, the Association by Board resolution, may make a finding to such effect, specifying the particular condition(s) that exist, and thereafter give notice to the Owner of such Lot or Parcel that unless specified corrective action is taken within a specified time period, the Association, at such Owner's cost, may take whatever action is appropriate to compel compliance, including, without limitation, appropriate legal action. If, at the expiration of the specified time period the requisite corrective action has not been taken by the Owner, the Association is hereby authorized and empowered, at its sole discretion, to impose a daily fine (as set forth in Section 10.03 and Section 7.11), to cause corrective action to be taken (including but not limited to the right to enter upon the Lot or Parcel without being guilty of trespass and maintain landscaping, remove any weeds, rubbish or debris) and/or to commence appropriate legal action, and the cost thereof, including court costs and attorneys' fees, shall be added to and become a part of the Assessments to which the offending Owner and the Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien, and by a Recorded Assessment Lien if deemed appropriate by the Board.

- 7.11 Special Assessments. Special Assessments shall be levied by the Association against a Member and/or an Owner and his Lot or Parcel to reimburse the Association for:
- 7.11.1 Costs incurred in bringing an Owner and his Lot or Parcel into compliance with the provisions of this Declaration, or the Articles, Bylaws, Association Rules, or Design Guidelines;
- 7.11.2 Fines levied or fixed by the Board under Section 10.3, as otherwise provided herein, or by law;
- 7.11.3 Document fees, purchase fees and transfer fees, as established by the Board, in the Board's sole discretion, which shall include, but not be limited to:
- A. Costs incurred for the reproduction and distribution of Las Campanas Documents;
- B. A one-time, non-refundable working capital fee in the amount of one-sixth (1/6) of the then-current Annual Assessment, which shall be paid by each Owner at the close of escrow and deposited by the Association into the Capital Improvement bank account and used according to Section 7.6.
- C. A transfer fee charged upon every Lot or Parcel for the transfer, sale, or conveyance from an Owner to a new Owner.
- 7.11.4 Any other charge designated as a Special Assessment in this Declaration, the Articles, Bylaws, Association Rules, or Design Guidelines;

- 7.11.5 Attorneys' fees, late fees, interest, and other costs or charges provided to be paid as, or which are incurred in connection with, a Special Assessment in accordance with this Declaration, the Articles, Bylaws, Association Rules, or Design Guidelines.
- 7.12 Recreational Facility Assessment. In accordance with the Declarant's master plan of development for the Property, Declarant shall construct a Recreational Facility which shall provide Members with a facility designed to meet the Members' physical and social needs, to enhance the Property and to enable the Property to comply with the requirements of the Fair Housing Act for age-restricted communities. In addition to the Assessments set forth above, the Association, by and through the Board, shall after the opening of the Recreational Facility levy a Recreational Facility Assessment on each Owner of a Lot or Parcel for the use of and membership to the Recreational Facility and all appurtenances thereto.
- 7.12.1 Recreational Facility Membership. Each Non-Developer Owner of a Lot or Parcel (one Recreation Facility Membership for each Apartment Unit or six for each acre or portion thereof for each Non-Residential Parcel) shall be the holder of a Recreational Facility Membership, and each holder of each Recreational Facility Membership shall be liable for the Recreational Facility Assessments.
- 7.12.2 Recreational Facility Members. All Recreational Facility Members shall be entitled to the privilege of using, without limitation, the Recreational Facility and the social services it provides. Any Owner, particularly an Apartment Development Owner or Non-Residential Parcel Owner, may designate according to the number of Association Memberships allocated to the Parcel, a Designee(s), to exercise all of the rights of the Recreational Facility Member, except the Recreational Facility Member's voting rights. Such designation shall not relieve the Recreational Facility Member of any liability or obligations with respect to the Recreational Facility Membership.
- 7.12.3 Green Valley Recreation, Inc. Green Valley Recreation, Inc. is a non-profit corporation organized under the laws of the State of Arizona and has been formed for the purpose of maintaining facilities and services for social and recreational facilities in Green Valley. On November 8, 1978, Green Valley Recreation, Inc. Recorded that certain Master Deed Restriction in Docket 5900 at page 894, Pima County records, establishing a method to incorporate land within its jurisdictional area. If the Recreational Facility constructed on the Property is incorporated within Green Valley Recreation, Inc. or a similar entity's jurisdiction, then each Class A Owner which is a purchaser of a Lot or Parcel within the Property, by the payment of the purchase price and acceptance of a deed agrees for himself, his heirs, successors and assigns, to the Association's conveyance of the Recreational Facility to Green Valley Recreation, Inc. or a similar entity, to be bound by the rules and regulations thereof, to pay all Recreational Facility Assessments assessed to Green Valley Recreation, Inc. in lieu of the Association, and to comply with all provisions of the Articles of Incorporation and Bylaws of Green Valley Recreation, Inc.

7.12.4 Green Valley Recreation. Inc. Recreational Facility Lien. There is hereby created a lien with power of sale, encumbering each Lot or Parcel subsequently purchased to secure payment of the aforesaid Recreational Facility Assessments, provided that no action shall be brought to foreclose such lien or proceed under the power of sale prior to the expiration of 30 days after a notice and claim of lien is mailed to the Owner of such Lot or Parcel and a copy of the lien is Recorded in the office of the Recorder of Pima County, Arizona. Each Owner acknowledges the benefit to the Property afforded by the existence of Green Valley Recreation, Inc. or a similar entity, and the services it offers for the enhancement of the general plan of development.

Any lien claimed or Recorded in favor of Green Valley Recreation, Inc. or its successors and assigns or a similar entity shall at all times be subordinate to the lien of these covenants and the lien of the Association provided for in this Declaration and to the lien of any First Mortgages to the same extent as set forth with regard to Assessments by the Association as set forth herein, and the provisions hereof dealing with Green Valley Recreation, Inc. or a similar entity, and its Recreational Facility Assessments shall constitute covenants running with the land in the same fashion as all other covenants, conditions and restrictions of this Declaration. This section 7.11 may not be amended without the consent of the Declarant and, if applicable, Green Valley Recreation, Inc. or a similar entity, except that after Declarant has sold all of the Lots, it may only be amended by the Association, and if applicable, with the consent of Green Valley Recreation, Inc. or a similar entity.

- 7.12.5 <u>Declarant Exempt.</u> Notwithstanding the above, the lien of Green Valley Recreation, Inc. or a similar entity shall not extend to the Property, Parcels or Lots while owned by Declarant, and Declarant shall be exempt from paying the Recreational Facility Assessments.
- Assessment Period shall be the fiscal year commencing on January 1 of each year and terminating on December 31 next following. The Board may, in its sole discretion, from time to time, change the Assessment Period. The initial Assessment Period shall commence on the date of Recording of this Declaration and terminate on December 31 following the date of Recording. The Assessments provided for hereinabove shall be prorated for the initial Assessment Period.
- 7.14 Billing and Collection Procedures. The Board shall have the right to adopt procedures for the purpose of making, billing, and collecting the Assessments, which procedures may include delegating to a Project Association or one or more subsidiary associations the authority and obligation of billing and collecting some or all of the Assessments. The failure of the Association to send a bill to an Owner shall not relieve such Owner of the Owner's liability for Assessments. No Recorded Assessment Lien shall be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days written notice thereof prior to the commencement of such foreclosure or enforcement. The notice shall be addressed to the Owner at the address of the Owner on the records of the Association. It shall be the

responsibility of the Owner to inform the Association in writing of a change of address. The Association shall be under no duty to refund any payments received by the Association even if the ownership of a Lot or Parcel changes during an Assessment Period. Any successor Owner shall be given credit for any un-refunded prepayments made by a prior Owner. In case the Owner of a Lot or Parcel having a right to pay a reduced payment amount as provided herein fails to notify the Board at such time as the payment amount should be increased, such Owner shall nonetheless be liable for the full amount of the Assessment and such Owner's failure to notify the Board shall not relieve such Owner of the liability for such full Assessment. No Owner shall be entitled to claim any offsets against Assessments for any reason, including, without limitation, a claim that the Association is not properly exercising its duties or responsibilities under this Declaration.

- 5.15 Collection Costs and Interest on Delinquent Amounts. Any Delinquent Amount shall have added thereto a flat late fee as determined by the Board if such Delinquent Amount is not paid within ten (10) days after its due date. In addition, the Delinquent Amount shall bear interest from its due date until paid at a rate equal to the greater of: (a) 18% per annum; or (b) the then prevailing interest rate on loans provided by Bank One, Arizona, NA. The Owner shall be liable for all-late fees, interest, costs, including, but not limited to, attorneys' fees and costs and collection agency fees, which may be incurred by the Association in collecting any Delinquent Amount. The Board may also Record an Assessment Lien against the applicable Lot or Parcel and may establish a fixed fee to be reimbursed to the Association for the Association's cost in Recording such Assessment Lien, processing the delinquency, and Recording a release of lien. The foregoing fee shall be treated as a collection cost of the Association secured by the Recorded Assessment Lien.
- 7.16 <u>Statement of Payment</u>. Upon receipt of a written request therefor from any Owner or Resident, the Board, within a reasonable time thereafter, shall issue to the requesting party a written statement stating that as of the date of that statement:
- 7.16.1 All Assessments (including collection fees, if any, in regard thereto) have been paid with respect to such Owner's Lot or Parcel; or
 - 7.16.2 If such have not been paid, the amount(s) then due and payable.

The Association may make a reasonable charge for the issuance of such statement. Any such statement shall be conclusive and binding with respect to any matter set forth therein.

7.17 Exempt Property. Exempt Property shall be exempt from Assessments (except as may be provided in Sections 7.8 and 7.10) and the Assessment Lien, and shall have no voting rights in the Association, provided, however, that should any Exempt Property cease to be Exempt Property for any reason, it shall thereupon be subject to Assessments (prorated as of the date it ceased to be Exempt Property) and the Assessment Lien, and shall have voting rights in the Association as otherwise determined in this Declaration. Notwithstanding any provision to the contrary in this Declaration, a Tract Declaration applicable to Government Property may

provide for such Government Property to be totally exempt from all of the provisions of this Declaration for so long as such property remains Government Property.

7.18 <u>Waiver of Use</u>. No Owner may exempt himself or herself from personal liability for Assessments, or release the Lot or Parcel owned by him or her from the liens, or charges arising under this Declaration or any Tract Declaration or by any other Recorded instrument by Waiver of his or her Occupants', employees', customers' or guests' rights of use and enjoyment of the Common Areas.

ARTICLE 8

ASSESSMENT AND ENFORCEMENT

- 8.1 <u>Enforcement</u>. In the event of a default in payment of any Assessment when due, in which case the Assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in the manner provided by law or in equity, or without any limitation to the foregoing, by either or both of the following procedures.
- 8.1.1 Enforcement of Personal Obligation. The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner (or Recreational Facility Member, if applicable hereafter) to enforce each Assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with late fees and interest thereon from the date of delinquency until paid, court costs, and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner or Recreational Facility Member.
- 8.1.2 Enforcement of Lien. As provided in 7.1 above, all Assessments, plus interest, late fees and costs connected therewith, shall be a continuing lien upon the Lot or Parcel assessed. Such lien shall be deemed to have attached as of the date of Recordation hereof and shall be senior to all matters other than tax liens for real property taxes on the Lot (or Parcel, as applicable hereafter), Assessments on the Lot or Parcel in favor of any municipal or other governmental assessing unit, reservations in patents, and the lien of any First Mortgage.
- 8.1.3 Notice and Claim of Lien. At any time after 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 by the defaulting Owner (or Member). Said demand shall state the date and amount of delinquency. Each default shall constitute a separate basis for demand but any number of defaults may be included within a single demand. The Association may, whether or not such a written demand is first made, file and record a claim of lien on behalf of the Association against the Lot or Parcel of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by any officer of the

Association. Recorded in the office of the County Recorder of Pima County, and shall contain substantially the following information:

- A. The name of the delinquent Owner (or Member);
- B. The legal description of the Lot or Parcel against which claim of lien is made:
- C. The total amount claimed to be due and owing for the amount of the delinquency, late fees, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed);
- D. A statement that the claim of lien is made by the Association pursuant to this Declaration;
- E. A statement that the lien is claimed against said Lot or Parcel in an amount equal to the amount stated; and
- F. A statement that the claim of lien will also extend to all Assessments which became due but are not paid from the date of the recording of the claim of lien to the date of payment of all amounts set forth herein (including interest thereon, late fees, reasonable attorneys' fees, costs and collection), and that the claim of lien will only be deemed satisfied and released when the Owner (or Member) is current in the payment of all such amounts.

Upon Recordation of a duly-executed original or copy of such claim of lien, and the mailing of a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot or Parcel. Such a lien shall be junior to tax liens for real property taxes on the Lot or Parcel, Assessments on any Lot or Parcel in favor of any municipal or other governmental assessing unit, and the lien of any First Mortgage.

8.2 Foreclosure of Lien. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Owners. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot or Parcel. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, late fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner hereby expressly waives any objection to the enforcement and foreclosure of this lien.

- 8.3 <u>No Exemption of Owner</u>. No Owner (or Member) is exempt from liability for payment of Assessments by waiver of the use of enjoyment of the Common Area, by claim of set-off or by abandonment of a Lot or Parcel.
- Subordination of the Lien to First Mortgages: Sale or Transfer of Lots or Parcels. The lien of the Assessments provided for herein, including without limitation any fees, costs, late fees, or interest which may be levied by the Association in connection with unpaid Assessments, shall be subordinate to the lien of any First Mortgage. Sale or transfer of any Lot or Parcel pursuant to foreclosure of any such First Mortgage or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of such executory land sales contract, shall extinguish the lien of Assessments or charges which became due prior to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract; provided, . however, that any such delinquent Assessments or charges, including interest, late fees, costs and reasonable attorneys' fees, which are extinguished as provided herein, may be reallocated and assessed to all Lots or Parcels as a common expense. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation of forfeiture of such executory land sales contract, shall relieve any Owner of any Lot or Parcel from liability for any Assessments or charges thereafter becoming due, nor from any lien thereof. In the event of foreclosure of a First Mortgage or the taking of a deed in lieu thereof, such First Mortgagee shall not be liable for unpaid Assessments or other charges which accrued prior to the acquisition of title to the Lot or Parcel in question by such First Mortgagee.
- 8.5 Mortgage Protection. Notwithstanding and prevailing over any other provisions of this Declaration, or the Association's Articles or Bylaws, or the Rules, the following provisions shall apply to and benefit each First Mortgagee of a Lot or Parcel:

8.5.1 Liability for Assessments and Other Charges.

- A. First Mortgagees shall not in any case or manner prior to acquiring title to a Lot or Parcel be personally liable for the payment of any Assessment or charge, nor for the observance or performance of any covenant, restriction, regulation, Rule, Article or Bylaw, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, nor shall a First Mortgagee be liable for any violation of the Restrictions that occurred prior to such First Mortgagee acquiring title.
- B. At such time as the First Mortgagee shall become record Owner of a Lot or Parcel, said First Mortgagee shall be subject to all of the terms, conditions and Restrictions of this Declaration, including but not limited to the obligation to pay for all Assessments and charges accruing thereafter, in the same manner as any Owner.
- 8.6 Right to Exercise Rights of Owner. During the pendency of any proceeding to foreclose the First Mortgage, including any period of redemption, the First Mortgagee (or receiver appointed in such action) may, but need not, exercise any or all of the rights and

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privileges of the Owner of the mortgaged Lot, including but not limited to, the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

- 8.7 Right to Pay Charges on Common Area. First Mortgagees are hereby granted the right to jointly, or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area owned by the Association, and such First Mortgagees may, jointly or singly, pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Area and any First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.
- 8.8 <u>Priority</u>. Nothing in this Declaration shall in any manner be deemed to give a Lot or Parcel Owner, or any other party, priority over any rights of a First Mortgagee of a Lot or Parcel pursuant to the terms of such First Mortgagee's mortgage in the case of a distribution to an Owner of insurance proceeds or condemnation awards for losses to or a taking of any Lot or Parcel of any part of the Common Area owned by the Association.
- 8.9 Other Rights. Each First Mortgagee shall, upon written notice to the Association identifying the name and address of the holder, and the Lot or Parcel number or address of the Lot or Parcel encumbered by its mortgage, be entitled to:
- 8.9.1 Receive written notification from the Association of any default in the performance by the Owner of a Lot or Parcel encumbered by the Mortgage in favor of such First Mortgagee of any obligation under this Declaration or under the Articles, Bylaws, or Rules of the Association which is not cured within 60 days.
- 8.9.2 Inspect the books and records of the Association, by appointment, during normal business hours.
- 8.9.3 Receive an annual financial statement of the Association within 90 days following the end of any fiscal year of the Association.
 - 8.9.4 Receive written notice of all meetings of Members of the Association.
- 8.9.5 Receive written notice of any condemnation loss or casualty loss affecting a material portion of the Property.
- 8.9.6 Receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond.

ARTICLE 9

USE OF ASSOCIATION FUNDS

9.1 Use of Association Funds. The Association shall apply all funds and property collected and received by it (including the Annual Assessments, Capital Improvement Assessments, Recreational Facility Assessments, Special Assessments, Maintenance 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 Association and its Members by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any and all land, properties, Improvements, facilities (including the Recreational Facility), monuments, monument walls, water features, lighting features, trail systems, services, projects, programs, studies and systems, within or without Las Campanas, which may be necessary, desirable or beneficial to the general common interests of Las Campanas and the Members. The funds shall also apply for the FICO. Payments and for legal fees incurred by the Association in order to enforce the Las Campanas Documents and/or the FICO Agreement. 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, or Project Associations, maintenance of landscaping on Common Areas, public rights-of-way, and drainage areas (all within and without the areas of the Property), maintenance of areas behind walls adjacent to Common Areas which encompass private Lots, recreation and cultural enhancement, liability insurance. communications, ownership and operation of vehicle storage areas, education, transportation, health, utilities, public services, safety and indemnification of officers and directors of the Association.

The Association may also expend its funds for any purposes which any municipality may expend its funds under the laws of the State of Arizona or such municipality's charter.

- 9.2 <u>Borrowing Power</u>. The Association may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as the Board deems necessary or appropriate.
- 9.3 <u>Association's Right in Spending Funds from Year to Year</u>. The Association shall not be obligated to spend in any year all Funds received by it in such year, and the Board 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.

ARTICLE 10

RIGHTS AND POWERS OF ASSOCIATION

- 10.1 Rights, Powers and Duties of the Association. In addition to the rights and powers of the Association set forth in this Declaration, the Association shall have such rights, powers and duties as are set forth in the Articles and Bylaws, together with such rights and powers and duties as may be reasonably necessary in order to effect all the objectives and purposes of the Association as set forth herein. A copy of the Articles and Bylaws shall be available for inspection at the office of the Association during reasonable business hours. Some, but not all, duties of the Association shall include:
- 10.1.1 the maintenance of the walkways, drainage easements, pedestrian easements, slope easements, monuments, water features and walkways (if applicable) located within the Common Areas and properties, and entry way features and landscaping leading into the Property, including decorative structures, walls, etc.;
- 10.1.2 the maintenance of the landscaped portions of the Common Areas and other areas to be maintained by the Association, including all areas between Common Areas and the private walls of each Dwelling Unit and, all abutting property as well as within reason, the surroundings outside of the Property;
- 10.1.3 the operation, maintenance (including insurance) and, if necessary, the replacement, restoration or reconstruction of Association or Common Area related signage, walls, fences, and other Improvements originally constructed by Declarant on the Common Areas:
- 10.1.4 the payment of ad valorem real estate taxes, assessments and other charges on those portions of the Common Areas owned by the Association; and
- 10.1.5 the assessment and payment of the FICO Payments, according to Section 5.5.
- 10.2 Rules and Regulations. In addition to the right to adopt, amend and repeal rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association, acting through the Board, shall have the right to adopt, amend and repeal rules and regulations with respect to all other aspects of the Members' rights and the Association's rights, activities and duties, provided such rules and regulations are not inconsistent with the provisions of this Declaration, the Articles and Bylaws. Upon adoption, the additional Association Rules shall be enforceable in the same manner as this Declaration and shall have the same force and effect as if they were set forth in and were a part of this Declaration.
- 10.3 Association's Rights of Enforcement. The Association, as the agent and representative of the Owners, shall have the right, but not the obligation, to enforce the provisions of this Declaration. Further, any Owner (including Declarant, so long as Declarant is an Owner) shall have the right and authority, but not the obligation, to enforce the provisions of this Declaration. In addition, the Board may promulgate and establish a fine schedule as part of the Design Guidelines, Association Rules and the Declaration and without limiting the

generality of the preceding sentence, the Board may fix a fine of up to \$10,000 for failure to comply with the Las Campanas Documents.

- 10.4 Contracts with Others. Subject to the restrictions and limitations contained herein, the Articles, the Bylaws and the laws of the State of Arizona, the Association may enter into contracts with others, including Declarant and Declarant's affiliated companies for services which may include, but are not limited to, operation and maintenance of the Recreational Facility, water, refuse, utilities and maintenance for the benefit of the Members of the Association and for Common Areas and such contracts shall not be invalidated by the fact that one or more directors or officers of the Association are employed by or otherwise affiliated with Declarant or Declarant's affiliates, provided, however, that the fact of such interest shall be previously disclosed or made known to the other members of the Board acting upon such contract or transaction and, provided further, that the transaction or contract is fair and reasonable. Notwithstanding the foregoing, any management contract entered into by the Association must be terminable, without penalty, by the Association for cause at any time and without cause upon reasonable notice. Any contract between the Association and Declarant or Declarant's affiliates must be terminable by the Association without penalty upon no more than thirty (30) days' notice.
- 10.5 <u>Project Associations</u>. In the event any homeowners, condominium owners, business owners or similar semi-autonomous association is to be formed (other than by the Declarant) of a Tract, subdivision, Parcel, Residential Cluster, neighborhood or block in Las Campanas, the Articles of Incorporation and Bylaws, or statement of purpose, or other governing documents for such association shall not be effective unless the contents thereof have been approved by the Board and the governing documents specify that such association and the rights of its members are subject and subordinate to the provisions of this Declaration, the provisions of the Articles and Bylaws of the Association, and the provisions of the Association Rules.
- Cooperation with Project Associations. The Board shall assist the Project Associations in the performance of their duties and obligations under their respective Project Documents, and the Association shall cooperate with each Project Association so that each of those entities can most efficiently and economically provide their respective services to Owners. Furthermore, the Association shall encourage and support each Project Association's involvement and participation, in an advisory capacity, on the Board, the Design Review Committee, and on the Green Valley Community Coordinating Council, Inc. In order to gain greater community awareness and involvement with the Las Campanas community, the Board may form a number of committees to address Owners and Members' needs, including but not limited to, a social, cultural and recreational committee, governmental committee, health and safety committee, rules, regulations, traffic and circulation committee, neighborhood activities committee, special events committee and standing committee for boundary-defined homeowners. The residents of Las Campanas are encouraged to become actively involved by serving on one of the committees which may include residents from each neighborhood. It is contemplated that from time to time either the Association or a Project Association may use the service of the other in the

furtherance of their respective obligations, and they may contract with each other to better provide for such cooperation. The payment for such contract services or for a variance in services provided may be reflected in an increased Assessment by the Association for the particular Project or by an item in the Project Association's budget which shall be collected through Project Assessments and remitted to the Association. If a Project Association fails, neglects, or is unable to perform a duty or obligation required by its Project Documents, then the Association may, after reasonable notice and an opportunity to cure given to the Project Association, perform such duties or obligations until such time as the Project Association is able to resume such functions, and the Association may charge the Project Association a reasonable fee for the performance of such functions.

- 10.7 Procedure for Change of Use of Common Areas. Subject to the Declarants or the Association's absolute right to convey the Recreational Facility to Green Valley Recreation, Inc. or a similar entity, in all other instances, upon adoption of a resolution by the Board stating that the then current use of a specified part of the Common Areas is no longer in the best interests of the Owners and Occupants, and the approval of such resolution by not less than 2/3 of the votes of each class of Members voting in person or by proxy at a meeting duly called for 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 use: (a) also shall be for the common benefit of the Owners and Occupants; and (b) shall be consistent with any applicable Tract Declaration, Recorded restrictions or zoning regulations.
- 10.8 <u>Procedure for Transfers of Common Areas</u>. Subject to the Declarants or the Association's absolute right to dedicate or transfer the Recreational Facility, the Association shall have the right to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility provided that:
- 10.8.1 Such a transfer or dedication does not have substantial, adverse effect on the enjoyment of the Common Areas by the Owners and Occupants or on the easements and licenses with respect to the Common Areas granted by this Declaration to the Owners and Occupants;
- 10.8.2 It is required by a Recorded subdivision plat, a zoning stipulation or an agreement with the County; and
- 10.8.3 So Long as the Class B Membership shall not have terminated, the transfer or dedication has been approved by any Agency, as applicable, to the extent any Agency may be involved in Las Campanas.

Except as authorized above, the Association shall not make any such dedication or transfer or change the size, shape or location of the Common Areas, exchange the Common Areas for other property or interests which become Common Areas, or abandon or otherwise transfer Common Areas (to a non-public authority) except upon: (a) the adoption of a resolution by the Board

stating that ownership and/or use of the relevant Common Area is no longer in the best interests of the Owners and Occupants, and that the change desired shall be for their benefit and shall not substantially, adversely affect them; (b) the approval of such resolution by not less than 2/3 of the votes of each class of Members voting in Person or by proxy at a meeting called for such purpose in the manner set forth in Section 7.7 and (c) approval of the proposed action by any Agency, as applicable, to the extent this Declaration has been approved by any Agency.

10.9 <u>Common Area Use Fees</u>. The Association shall have the right to grant non-Members the temporary right to use and enjoy, on a specific and limited basis, one or more of the Common Areas in exchange for such consideration as the Board may deem appropriate.

ARTICLE 11

DESIGN REVIEW COMMITTEE: ARCHITECTURAL AND LANDSCAPING RESTRICTIONS AND CONTROL

- 11.1 <u>Powers and Duties</u>. The Design Review Committee shall have all of the powers, authority and duties conferred upon it by this Declaration or by the Articles, Bylaws or Association Rules, or by any Tract Declaration. Without limiting the generality of the foregoing, it shall be the duty of the Design Review Committee to consider and act upon all proposals or plans submitted to it pursuant to the provisions hereof, to adopt the Design Guidelines, to perform any other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.
- 11.2 <u>Organizations of the Design Review Committee</u>. The Design Review Committee shall be organized as follows:
- 11.2.1 <u>Committee Composition</u>. The Design Review Committee shall consist of three or more persons appointed by the Board of Directors of the Association; provided, however, that until all Lots have been conveyed to the first Owner thereof (i.e., other than the Declarant or Developer Owner), Declarant shall appoint the Design Review Committee without a meeting and without a vote of the Members, and during said period, no election of the Members of said committee shall be had unless Developer has in writing relinquished its rights of exclusive appointment. A majority of the Design Review Committee may designate a representative to act for it. A member shall not be required to satisfy any particular qualification for membership and may be a member of the Board, an officer of the Association, or an officer, agent or employee or other designee of Declarant.
- Alternate Members. In the event of the absence or disability of a regular member or members of the Design Review Committee, the remaining regular members, even though less than a quorum, may designate an alternate member to act as a substitute regular member of the Design Review Committee so long as any of the regular members remain absent or disabled.

- 11.2.3 Term of Office. Unless a member of the Design Review Committee has resigned or been removed, his or her term of office shall be for a period of 1 year, or until the appointment of his or her respective successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members of the Design Review Committee who have resigned, been removed or whose terms have expired may be reappointed.
- 11.2.4 Appointment and Removal. Subject to Section 11.2.1 and except as hereinafter provided, the right to appoint and remove all regular and alternate members of the Design Review Committee at any time shall be and is hereby vested solely in the Board, provided, however, that no regular or alternate member may be removed from the Design Review Committee by the Board except by the vote or written consent of at least 51% of the members of the Board.
- Review Committee may at any time resign from the Committee by giving written notice thereof to the Board.
- 11.2.6 <u>Vacancies</u>. Vacancies on the Design Review Committee, however caused, shall be filled by the Board. A vacancy or vacancies on the Design Review Committee shall be deemed to exist in case of the death, resignation or removal of any regular or alternate member.
- Review Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of a majority of the regular members (including any substitute regular member serving pursuant to Section 11.2.2) shall constitute the act of the Design Review Committee. The Design Review Committee shall keep and maintain a written record of all actions taken by it. Members of the Design Review Committee and consultants hired by the Design Review Committee, if such are authorized by the Board, may be entitled to compensation at the discretion of the Board.
- of the contents thereof by the Board, the Design Review Committee shall adopt, and may from time to time amend, supplement and repeal Design Guidelines. The Design Guidelines shall interpret, implement and supplement this Declaration and shall set forth procedures for Design Review Committee review and the standards for development within the Property. The Design Guidelines may specify different standards for development in different areas of Las Campanas based on topography, density, housing cost levels and any other factors deemed appropriate by the Design Review Committee and the Board. The Design Guidelines may include, without limitation, provisions regarding:
 - the size of Single Family Dwelling Units;

- 11.4.2 architectural design, with particular regard to the harmony of the design with surrounding structures and topography;
 - 11.4.3 placement of buildings;
- 11.4.4 landscaping design, content and conformity with the overall character of Las Campanas;
- 11.4.5 requirements concerning exterior color schemes, exterior finishes and materials, in particular the use of muted colors throughout Las Campanas;
 - 11.4.6 signage; and
 - 11.4.7 perimeter and screen wall design and appearance.

The Design Guidelines shall have the same force and effect as the Association Rules.

11.5 Obligation to Obtain Approval.

- 11.5.1 Except as otherwise expressly provided in this Declaration or the Design Guidelines or any applicable Tract Declaration, without the prior written approval by the Design Review Committee of plans and specifications prepared and submitted to the Design Review Committee in accordance with the provisions of this Declaration and the Design Guidelines:
 - A. no Improvements, alterations, repairs, excavation, grading, landscaping or other work shall be done which in any way alters the exterior appearance of any property or Improvements thereon from their natural or improved state existing on the date a Tract Declaration for such property is first Recorded; and
 - B. no building, fence, exterior wall, pool, roadway, driveway or other structure, Improvement or grading shall be commenced, erected, maintained, altered, changed or made on any Lot or Parcel at any time.
- 11.5.2 No exterior trees, bushes, shrubs, plants or other landscaping shall be planted or placed upon the Property except in compliance with plans and specifications therefor which have been submitted to and approved by the Design Review Committee in accordance with the Design Guidelines.
- 11.5.3 No material changes or deviations in or from the plans and specifications for any work to be done on the Property, once approved by the Design Review Committee, shall be permitted without approval of the change or deviation by the Design Review Committee.

- 11.6 <u>Waiver</u>. The approval by the Design Review Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Design Review Committee, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.
- 11.7 <u>Liability</u>. None of Declarant, the Association, the Board, or the Design Review Committee (nor any member thereof) shall be liable to the Association, any Owner or any other party for any damage, loss or prejudice suffered or claimed on account of:
- the approval or disapproval of any plans, drawings or specifications, whether or not defective:
- the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications;
 - 11.7.3 the development of any Lot or Parcel; or
- 11.7.4 the execution and filing of any estoppel certificate or statement, whether or not the facts therein are correct.

Provided, however, that with respect to the liability of a member of the Design Review Committee, such member has acted in good faith on the basis of such information as may be possessed by him.

Without in any way limiting the generality of any of the foregoing provisions of this Section, the Design Review Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner (other than the Owner applying for consent or approval, whose views the Design Review Committee shall be required to hear) with respect to any plans, drawings, specifications or any other proposal submitted for review.

- 11.8 Appeal to Board. Except as provided in this Section and in Section 11.11 below, any Owner or Occupant aggrieved by a decision of the Design Review Committee may appeal the decision to the Board in accordance with procedures to be established in the Design Guidelines. In the event the decision of the Design Review Committee is overruled by the Board on any issue in question, the prior decision of the Design Review Committee shall be deemed modified to the extent specified by the Board.
- 11.9 <u>Fee</u>. The Board may establish a reasonable processing fee to defer the costs of the Design Review Committee in considering any requests for approvals submitted to the Design Review Committee or for appeals to the Board, which fee shall be paid at the time the request for approval or review is submitted. The fee for initial submittal and processing of plans and specifications shall be \$300, provided that such fee may be waived, reduced or increased from time to time by the Association as it deems appropriate.

- 11.10 <u>Inspection</u>. Any member or authorized consultant of the Design Review Committee, or any authorized officer, director, employee or agent of the Association, may at any reasonable time and without being deemed guilty of trespass enter upon any Lot or Parcel, after reasonable notice to the Owner or Occupant of such Lot or Parcel, in order to inspect the Improvements constructed or being constructed on such Lot or Parcel to ascertain that such Improvements have been, or are being, built in compliance with the Design Guidelines, this Declaration, any applicable Tract Declaration, and any approved site plan, plans, drawings or specifications.
- 11.11 Declarant's Jurisdiction Over Non-Residential Parcels. Notwithstanding the other provisions of this Article (or any other provision of this Declaration), Declarant shall have all of the rights and powers of the Design Review Committee (or the Board, as applicable) with respect to all Non-Residential Parcels and all buildings, fences, walls, pools, roadways. driveways, landscaping and other structures and Improvements thereof (including, but not limited to, all exterior additions to or changes or alterations in any such structure or Improvement). provided, however, that such rights and powers shall vest in and be exercisable only by the Design Review Committee (or the Board, as applicable) upon the first to occur of: (a) the date as of which approved buildings and other Improvements have been completed (as evidenced by certificates of occupancy or similar instrument issued by the appropriate governmental authority), in accordance with site plans approved by Declarant, upon all Non-Residential Parcels within the Property and on all other property within Las Campanas designated for non-residential purpose by the Specific Plan; or (b) the date specified in a Recorded instrument executed by Declarant expressly waiving its right to exercise the rights and powers conferred upon it by this Section (or, if no date is specified, the date of Recordation of such Recorded instrument). All decisions made by Declarant in its exercise of the rights and powers conferred upon it by this Section shall be final and binding and shall not be subject to appeal to, or review by, the Design Review Committee or the Board. Further, no variances of any of the restrictions set forth in this Declaration with respect to Non-Residential Parcels and no consents or approvals required or permitted to be given by the Board or the Design Review Committee pursuant hereto relating to Non-Residential Parcels shall be granted or given without the prior written consent of Declarant until the earlier of the two dates specified in (a) and (b) of this Section.
- 11.12 <u>Non-Residential Exemption</u>. Declarant shall have the right to permanently exempt any Non-Residential Parcel from all of the provisions of this Article or to modify the application of this Article to any Non-residential Parcel by including such exemption or modification in a Tract Declaration applicable to such Non-Residential Parcel. Declarant's right to create new exemptions or modifications for Non-Residential Parcels under this Section shall terminate upon the earlier of the dates specified in subparts (a) and (b) of the first sentence of Section 11.11.

ARTICLE 12

TERM: AMENDMENTS: TERMINATION

- Recordation and, as amended from time to time, shall continue in full force and effect for a term of 20 years from the date of its Recordation. Thereafter, this Declaration (as amended from time to time) shall be automatically extended for successive periods of 10 years each, unless there is an affirmative vote to terminate this Declaration by the then Owners casting 90% of the total votes then entitled to be cast at an election held for such purpose within 6 months prior to the expiration of the initial term hereof or any 10-year extension. In addition, this Declaration may be terminated at any time if 90% of the votes then entitled to be cast by each class of Members shall be cast in favor of termination at an election held for such purpose. If the necessary notes and consents are obtained, the Board shall Record a certificate of termination, duly executed by the president or vice president of the Association and attested to by the secretary of the Association. Upon the Recording of the certificate of termination, this Declaration shall have no further force and effect and the Association thereupon shall be dissolved in accordance with the terms of its Articles and Bylaws and the laws of the State of Arizona.
- Amendments. Until the first sale of a Lot within the Property to a Non-Developer Owner for use and occupancy as a Dwelling Unit, this Declaration may be amended by Recorded instrument duly executed by Declarant, without the necessity of calling a meeting of Owners or obtaining the consent of Owners. Thereafter, this Declaration may be amended (either during the initial 20-year term or during any extension thereof pursuant to Section 12.1 above) by recording a certificate of amendment, duly executed by the president or vice president of the Association, which certificate of amendment shall set forth in full the text of the amendment adopted, and, except as provided in Section 12.3, shall certify that at an election duly called, the Owners casting not less than 67% of the votes then entitled to be cast at the election voted affirmatively for the adoption of the amendment. Such amendment shall become effective upon its Recordation with the Pima County Recorder, Pima County, Arizona.
- 12.3 <u>Deannexation</u>. Declarant may, in its sole discretion, at any time and from time to time up to the date which is the later of (a) all Lots have been conveyed to the first Owner thereof, or (b) 12 years after the date this Declaration is Recorded, withdraw or "deannex" property from the Property (and subject to the written consent of the Owner of the portion or portions to be deannexed, if other than Declarant). The Recordation of such deannexation and Recordation of any additional documents required by law shall constitute and effectuate the deannexation described therein, making such deannexed property excluded from the Property and the jurisdiction of the Association. Any non-Declarant initiated deannexation from the Property shall require an amendment to this Declaration pursuant to Section 12.2 above, provided that such amendment must be approved by: (a) Owners holding 2/3 of all Class A votes; and (b) Declarant, so long as the Class B Membership is in existence.

- 12.4 Right of Amendment if Requested by Governmental Agency or Federally-Chartered Lending Institution. Anything in this Article to the contrary notwithstanding. Declarant reserves the right to amend this Declaration or a Tract Declaration as may be requested or required by the FHA, VA or any other Agency with whom Declarant elects to do business as a condition precedent to such Agency's approval of this Declaration or an applicable Tract Declaration, or by any federally-chartered lending institution as a condition precedent to lending funds upon the security of any Lot or Parcel or purchasing loans secured thereby. Any such amendment shall be effected by Declarant recording a certificate of amendment duly executed and acknowledged by Declarant specifying the Agency or the lending institution requesting the amendment and setting forth the requested or required amendment(s). Recordation of such a certificate shall be deemed conclusive proof of the Agency's or institution's request or requirement and such certificate, when Recorded, shall be binding upon all of the Property and all persons having an interest therein. It is the desire of Declarant to . retain control of the Association and the Association's activities during the period of planning and development of the Property. If any amendment requested or required pursuant to the provisions of this Section deletes, diminishes or alters such control, Declarant shall have the right to prepare, provide for and adopt as an amendment hereto, other and different control provisions which shall be binding upon the Property and Owners without a vote of the Owners. Except as provided in this Section, Declarant shall not have any right to amend this Declaration or a Tract Declaration otherwise than in accordance with and pursuant to the provisions of Section 12.2.
- Declarant the operation of the Association, which may or may not be at the same time Declarant relinquishes its voting rights as provided herein, Declarant shall deliver to the Association's Board of Directors at the Association's offices, all corporate and accounting books and records and a written notice that Declarant intends to turn over control of the Association. Within thirty (30) days of receipt of the corporate books, accounting records and written notice of Declarant's intent to turn over the operations of the Association, the Members shall notify Declarant in writing of any claims or disputes with regard to the operations of the Association by the Declarant, including the construction and maintenance of any walkways, street signs, walls, fences, landscape or any other Improvements in the Common Areas originally constructed by Declarant or the collection of Assessments, or shall by their failure to so notify Declarant, forever waive and relinquish any such claims or disputes with the Declarant. Any valid and timely written claims or disputes presented to the Declarant shall be resolved promptly between the Members and the Declarant.

Declarant may in its discretion allow the Members to appoint an interim or transitional board of directors which shall have no management or other authority until such time as Declarant formally relinquishes control of the Association and its exclusive voting rights.

ARTICLE 13

INSURANCE, EMINENT DOMAIN AND DESTRUCTION

- 13.1 <u>Insurance Requirements</u>. The Association shall purchase and maintain at all times the following types of insurance, but only to the extent reasonably available and reasonably priced:
- general liability insurance covering bodily injury and property Insurance. Commercial general liability insurance covering bodily injury and property damage liability insurance covering all Common Area maintained by the Association, if any, and all other areas under the jurisdiction or control of the Association, excluding the Lots. Such insurance policy or policies shall contain, if available, a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or of any other Owners, any "no other insurance" provision.

The scope of coverage of such policy or policies must include all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use to the Properties. Coverage shall be for at least \$1,000,000 combined single limit.

Such coverage shall include, without limitation, legal liability of the insureds for property damage, bodily injuries, and deaths of persons in connection with the operation, maintenance, or use of the Common Area maintained by the Association; legal liability arising out of lawsuits related to employment contracts of the Association; and protection against liability for non-owned and hired automobiles; such coverage may also include, if applicable, garagekeeper's liability, liability for property of others, host liquor liability, water damage liability, contractual liability, workmen's compensation insurance for employees of the Association, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

The insurance policies purchased shall contain a recognition of any insurance trust agreement entered into by the Association.

Each hazard insurance policy shall be written by a hazard insurance carrier which has a financial rating as designated in Best's Key Rating Guide of Class VI or better, or if such rating service be discontinued, an equivalent rating by a successor thereto or a similar rating service. Each insurance carrier must be specifically licensed or authorized by law to transact business within the State of Arizona.

Policies shall not be utilized where, under the terms of the carrier's charger, bylaws or policy, contributions or assessments may be made against the Owners, Members or the Association or loss payments are contingent upon action by the carrier's board of directors, policyholders, or members.

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13.1.2 <u>Insurance of Common Area</u>. Fire and other hazard insurance covering Improvements constructed on the Common Area. Such policy or policies shall consist, at a minimum, of a multi-peril type policy covering the subject Improvements, providing, as a minimum, fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage lenders in Pima County, Arizona.

Such policies of property insurance shall contain a "Replacement Cost Endorsement" providing that any claim shall be settled on a full replacement cost basis without deduction for depreciation, an "Inflation Guard Endorsement" and an "Agreed Amount Endorsement," if possible. The Association shall also purchase a "Demolition Endorsement", an "Increased Cost of Construction Endorsement", a "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent, and coverage on personal property owned by the Association.

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

- A. the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or
- B. 100% of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.
- 13.1.3 <u>Worker's Compensation Insurance</u>. Worker's Compensation insurance to the extent necessary to comply with any applicable laws.
- part of directors, officers, managers, trustees, employees, or volunteers responsible for handling funds belonging to or administered by the Association. Such fidelity bonds or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection, that is, in no event, less than 1½ times the insured's estimated annual operating expenses and reserves, and provide for at least 30 days notice to the Association before cancellation or substantial modification thereof. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added, if the policy would not otherwise cover volunteers.
- 13.1.5 <u>Exceptions</u>. The foregoing insurance and endorsement shall be maintained only to the extent available and reasonably priced and, without limitation, the Board of Directors may elect to dispense with certain endorsements if, in the discretion of the Board

of Directors, it is determined that the cost of such endorsements is excessive or the coverage not reasonably available.

13.2 Waiver of Subrogation: Claims Against Declarant, etc. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of any and all rights of subrogation against Declarant, Developer, the Board and such other persons or entities affiliated with the Association such as a manager and its representatives, members and employees and a provision, if available, preventing any cancellation or modification thereof, except upon at least 30 days' written notice to the insureds.

Liability insurance hereinabove specified shall name as separately protected insureds Declarant, the Association, the Board and such other persons or entities affiliated with the Association such as a manager and its representatives, members and employees as their interest may appear with respect to any liability arising out of the maintenance or use of any insured property.

To the extent that each such policy will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Declarant, the Board, the Design Review Committee and such other persons or entities named in said insurance policies, and against the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

- 13.3 <u>Insurance Premiums</u>. Premiums for insurance purchased or obtained by the Association shall be a common expense payable through Assessments of Lots and all such insurance coverage obtained by the Board shall be written in the name of the Association.
- 13.4 <u>Additional Optional Insurance by Owner</u>. In addition to the aforesaid insurance required to be carried by the Association, each Owner shall, at his own expense, carry any other insurance deemed advisable; however, if applicable, said policy or policies shall provide that there shall be no contribution or offset between policies of the Association and policies an individual Owner may have in effect.

The Association shall have no duty whatsoever to insure, protect or maintain real or personal property located upon any Lot or Parcel.

It shall be the individual responsibility of each Owner, at his own expense, to provide Owner's liability and property damage insurance, theft and other insurance covering personal and real property of the Owner.

13.5 <u>Destruction/Insurance Proceeds</u>. In the event of substantial damage or destruction of any part of the Common Area, no Owner of a Lot or Parcel or other party shall have priority over a First Mortgagee with respect to the distribution of any insurance proceeds.

13.6 <u>Condemnation: Destruction.</u>

13.6.1 Condemnation.

- A. <u>Taking</u>. The term "taking", as used in this Section, shall mean either (a) condemnation by eminent domain or (b) sale under threat of condemnation.
- B. Authority of Board. In the event of a threatened taking of all or any portion of the Common Area, the Members hereby appoint the Board of the Association and such persons as the Board or the Association may designate to represent all of the Owners in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action.
- C. <u>Partial Taking</u>. In the event of taking of less than all of the Common Area, the rules as to restoration and replacement of the Common Area and the Improvements thereon shall apply as in the case of destruction of Improvements upon the Common Area as provided in Section 13.6.2.
- D. <u>Distribution of Proceeds</u>. Any awards received on account of the taking shall be paid to the Association and to mortgagees or record, as their interests may appear. In the event of a total taking, the Board may retain any award in the general funds of the Association, and any distribution of the award shall be on a reasonable and equitable basis. Notwithstanding anything to the contrary in this Section, the distribution of any award or awards for a taking of all or any portion of the Common Area shall be subject to the prior rights of mortgagees.

13.6.2 Destruction.

- A. <u>Duty of Association</u>. In the event of a partial or total destruction of the Common Area or Improvements thereon, except as otherwise provided herein, it shall be the duty of the Association to restore and repair the same to its former condition as promptly as is practicable and in a workmanlike manner. The proceeds of any insurance maintained pursuant hereto shall be used for such purpose, subject to the prior rights of mortgagees whose interests may be protected by said policies.
- B. <u>Destruction: Proceeds Exceed 80% of Reconstruction Costs</u>. If the amount available from the proceeds of such insurance policies for such restoration and repair is at least 80% of the estimated costs of restoration and repair, a Special Assessment for reconstruction with each Owner contributing a like sum for each Lot owned, may be levied by the Association to provide the necessary funds for such reconstruction and repair, over and above the amount of any insurance proceeds available

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for such purpose, and such Assessment shall not require the consent of any specified proportion of the Members.

- C. <u>Destruction: Proceeds Less than 80% of Reconstruction Costs</u>. If the amount available from the proceeds of such insurance policies for such restoration and repair is less than 80% of the estimated cost of restoration and repair, the Improvements shall not be replaced or restored through application of a Special Assessment unless such Assessment is approved by the vote or written consent of 2/3 of each Class of Members.
 - (1) <u>Use of Hazard Proceeds</u>. Notwithstanding the foregoing, unless the Owners of at least 2/3 of the Lots other than Declarant, and the holders of 2/3 of the First Mortgages, have given their prior written approval, the Association shall not be entitled to use hazard proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such Improvements.
 - (2) <u>Common Area</u>. In the event of a determination not to replace or restore the Improvements on the Common Area as set forth above, the Common Area shall be cleared and landscaped as open space to be used by the Owners pursuant to the provisions hereof, and the costs thereof shall be paid for with the insurance proceeds, and any deficiency may be raised by the levy of uniform Special Assessment for reconstruction in any amount determined by the Board.

ARTICLE 14

USE AND OCCUPANCY RESTRICTIONS APPLICABLE TO ALL LAND USE CLASSIFICATIONS

- 14.1 <u>Violation of Law or Insurance</u>. No Owner or Member shall permit anything to be done or kept in his Lot or Parcel, or in, or upon any Common Areas, which will result in the cancellation of insurance thereon or, which would be in violation of any law.
- 14.2 <u>Residential Use</u>. Each Lot or Parcel designated as residential under the Specific Plan may be used only for residential or Apartment Development purposes and none other. No business or commercial building may be erected on any Lot or Apartment Development and no business or commercial enterprise, or other non-residential use may be conducted on any part thereof. No temporary buildings, structures, or trailers may be erected, placed or maintained on any Lot or Parcel, except as expressly permitted by, and in compliance with, the Design Guidelines. Nothing herein contained shall be deemed to limit the Declarants and Owner Developer's rights as set forth in this Declaration.

- 14.3 Animals. No animals, including horses or other domestic farm animals, fowl or poisonous reptiles of any kind may be kept, bred, or maintained on any Lot or Parcel, or in, or upon. any Common Area, except a reasonable number of commonly accepted household pets in accordance with the Association Rules. No animals shall be kept, bred or raised within the Property for commercial purposes. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No structure for the care, housing or confinement of any animal shall be maintained so as to be Visible from Neighboring Properties. No Owner or any lessee or guest of an Owner shall permit any dog or other pet being kept on a Lot to relieve itself on another Owner's Lot or Common Area. It shall be the responsibility of such Owner, Occupant, Lessee or guest to remove immediately any droppings from pets. No dog, cat or other pet shall be permitted to run at large, and each dog, cat or other pet shall be confined entirely to an Owner's Lot except that a dog, cat or other pet shall be permitted to leave an Owner's Lot if such dog, cat or other pet is at all times kept on a leash not to exceed six (6) feet in length and is under the direct control of the owner. All such domestic pets must be registered with the Association and shall have proof of proper immunization presented with said registration.
- Nuisances: Construction and Remodeling Activities. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot or Parcel, 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. No other nuisance shall be permitted to exist or operate upon any Lot or Parcel so as to be offensive or detrimental to any other property in the vicinity thereof or to its Occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on such property. Normal construction and remodeling activities and parking in connection with the building of Improvements on a Lot or Parcel shall not be considered a nuisance or otherwise prohibited by this Declaration, but Lots and Parcels 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 by the Design Review Committee. In addition, any construction equipment and building materials stored or kept on any Lot or Parcel during construction of Improvements may be kept only in areas approved by the Design Review Committee, which may also require screening of the storage areas. The Board, in its sole discretion, shall have the right to determine the existence of any such nuisance.
- 14.5 <u>Lights</u>. No spotlights, flood lights, or other high intensity lighting, shall be placed or utilized upon any Lot or Parcel, which in any manner will allow light to be directed or reflected on the Common Areas, or any part thereof, or any other Lot or Parcel, except as may be expressly permitted by the Association Rules or the Design Guidelines. No tennis courts may be lighted, except, in accordance with Association Rules and Design Guidelines imposed by the Design Review Committee.

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- 14.6 <u>Antennas</u>. No radio, television or other antennas of any kind or nature, or device for the reception or transmission of radio, microwave or other similar signals, shall be placed, or maintained upon any or Lot or Parcel, except as may be permitted by the Association Rules or in accordance with the Design Guidelines.
- 14.7 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot or Parcel, except in covered containers which are appropriately screened from View of Neighboring Properties, unless necessary to make the same available for collection and then only for the shortest time reasonably necessary to effect such collection. The Design Review Committee may also, in its sole discretion and at its option, designate the location on a Lot or Parcel where such a screening structure shall be constructed and containers shall be stored between collection times in order to protect adjacent properties from view, noise or odors emitting from the use of such containers. Such designated storage areas shall not be used for storage of any materials other than containers. No rubbish, trash, garbage or debris of any kind shall be burned within the Property. No outdoor incinerators shall be kept or maintained on any Lot or Parcel, or anywhere on the Property
- 14.8 Parking, Storage, Motor Vehicles. No recreation vehicles or equipment including, without limitation, motor cycles, mobile homes, travel trailers, tent trailers, trailers, campers, detached camper shells, boats and boat trailers, shall be parked or maintained on any public or private street within the Property except for such periods of time as shall be reasonably necessary to load or unload, which shall be less than one and one-half hours in any 24 hour period, and except as otherwise provided in this Declaration. All vehicles and related equipment shall be kept either (i) in an enclosed garage or carport on Lots, appropriately screened from View of Neighboring Properties and approved by the Design Review Committee, or (ii) within parking areas approved by the Association with respect to Parcels. The Association may remove, or cause to be removed, any unauthorized vehicle at the expense of the Owner thereof in any manner consistent with law.

No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed or repaired upon any Lot, Parcel or street in Las Campanas, and no inoperable vehicle may be stored or parked on any such Lot, Parcel or street, so as to be Visible from Neighboring Property or to be visible from Common Areas or streets; provided, however, that the provisions of this Section shall not apply to (i) emergency vehicles repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Design Review Committee (ii) the parking of such vehicles during normal business in areas designated for parking in a Non-Residential Land Use classification; (iii) vehicles parked in garages or carports on Lots or Parcels so long as such vehicles are in good operating condition and appearance and are not under repair; (iv) the storage of such vehicles in an area designated for such proposes on a Tract Declaration or on a site plan approved by the Design Review Committee.

14.9 <u>Garage Doors, Garages and Carports</u>. Garage doors shall be maintained in a closed position during all reasonable times. Parking canopies shall not be permitted on Lots but

shall be permitted elsewhere on the Property. All garages and carports shall be architecturally integrated into the primary building to which they are ancillary and shall be appropriately screened from view, as determined by the Design Review Committee.

It is the intent of Declarant to restrict on-street parking as much as possible. Garages and carports shall not be enclosed and converted to residential use. Carports shall be used solely for the storage of operable vehicles and shall not store equipment, firewood, furniture, appliances, rubbish or other storage items.

- 14.10 Mining. No portion of the Property shall be used in any manner to explore for or remove any water, oil or other hydrocarbons, or minerals of any kind or earth substance of any kind.
- 14.11 <u>Safe Condition</u>. Without limiting any other provision in this Section, each Owner shall maintain and keep his Lot or Parcel at all times in a safe, sound and sanitary condition and repair, and shall correct any condition or refrain from any activity which might interfere with the reasonable enjoyment by other Owners or Members of their respective Lots or Parcels, or the Common Areas.
- 14.12 <u>Fires</u>. Other than barbecues, in properly constructed barbecue pits or grills, and firepits in compliance with the Association Rules and the Design Guidelines, or as otherwise expressly permitted in the Association Rules, no open fires shall be permitted on the Lots or Parcels or the Property, nor shall any other similar activity or condition be permitted which would tend to increase the insurance rates for the Common Area, or for other Owners.
- 14.13 Clothes Drying Area. No portion of any Lot or Parcel shall be used as a drying or hanging area for laundry of any kind, it being the intention hereof that all such facilities shall be provided within the buildings to be constructed on each Lot or Parcel.
- Any Owner may own more than one Lot which, if contiguous, may be combined into a single homesite with the consent of the Design Review Committee and Pima County; provided, however, that any such combination of Lots shall not reduce or alter the voting rights obtained by ownership of each Lot, nor shall it reduce or alter the amount which would have been assessed against the Owner of such Lots pursuant to the terms hereof in the absence of combination. The Assessments attributable to each Lot shall be a lien, as provided in Section 7.1, upon the entire combination of Lots held by the Owner. Notwithstanding anything herein to the contrary, the Owners of two or more contiguous Lots may, with the consent of any necessary authorities and the Design Review Committee, replat such Lots as a Compound which may include and provide for the construction of common recreation facilities on such Lots, including, for example, a tennis court or swimming pool, in accordance with the Design Guidelines. The lien provided in Section 7.1 as to each replatted Lot shall also extend to the interest of the Ownership in any such common facilities. If one Owner wishes to combine Lots, or if two or more Owners wish to replat Lots as a Compound, in such manner that it eliminates

the need for a portion of the Common Areas owned by the Association (for example, where a cul-de-sac is no longer necessary), and if the combination of Compound and abandonment of Common Area is approved by the Design Review Committee and any necessary authority, then such portion of the Common Areas may be deeded by the Association to said Owner or Owners as the Association (and the necessary authority, if its consent is required) may specify.

- 14.15 No Obstructions to Drainage. No Owner shall erect, construct, maintain, permit or allow any fence or other Improvement or other obstruction which would interrupt the normal drainage of the land or within any area designated on a Plat, or other binding document, as a "drainage easement", except that, with the prior consent of the County and the Design Review Committee, non-permanent structures, including fences, may be erected in those areas which contain only underground closed conduit storm drainage facilities.
- 14.16 Party Walls. The rights and duties of Owners of contiguous Lots or Parcels which have shared walls or fences ("Party Walls") shall be as follows:
- 14.16.1 Each Owner shall have the right to use the Party Wall, provided that such use does not interfere with the other Owner's use and enjoyment thereof.
- 14.16.2 If a Party Wall is damaged or destroyed through the willful or negligent act of an Owner or the Owner's Occupants, agents, guests or family, the Owner or Occupant, as the case may be, shall be obligated to rebuild and repair the Party Wall at the Owner's sole expense (provided that this shall not bar such Owner from recovering, or seeking to recover, all or any part of such expense from any Occupant, agent, guest or other person who otherwise may be liable to such Owner). Any dispute over an Owner's liability shall be resolved as provided in Subsection 14.16.4 below.
- 14.16.3 In the event any Party Wall is damaged or destroyed other than by the willful or negligent act of an adjoining Owner or the Owner's Occupants, agents, guests or family, or deteriorates from ordinary wear and tear, it shall be the joint obligation of all Owners whose Lots or Parcels adjoin the damaged or destroyed portion of such Party Wall to immediately rebuild and repair such Party Wall, such expense to be ratably divided among such Owners on the basis of the amount of frontage of their respective Lots or Parcels on the damaged or destroyed Party Wall.
- 14.16.4 In the event of a dispute between Owners with respect to a Party Wall or the sharing of the cost thereof, such Owners shall submit the dispute to the Design Review Committee, whose decision shall be binding unless appealed to the Board, in which event the Board's decision shall be binding and final. Notwithstanding any such decision, no Owner is prohibited from seeking indemnity from the party causing the damage.
- 14.16.5 Notwithstanding the foregoing and unless otherwise indicated in a Tract Declaration, or unless otherwise expressly agreed in writing by the Association, in the case of walls or fences: (i) between Common Areas and Lots or Parcels; or (ii) situated on Common

Areas within or adjacent to a Lot or Parcel, the Owners or Occupants of such Lots or Parcels shall be responsible, at their expense, for all maintenance, repair, painting and replacement of that portion of the wall that faces the Owner's property.

- 14.16.6 This Section 14.16 does not and is not intended to control or relate to Party Walls between Condominium Units or between commercial condominium units.
- 14.17 <u>Signs</u>. No signs whatsoever (including, but not limited to, commercial, political and similar signs) which are Visible From Neighboring Property shall be erected or maintained on any Lot or Parcel except:
 - 14.17.1 Signs required by legal proceedings.
- 14.17.2 Not more than two identification signs for individual residences, each with a face area of 72 square inches or less.
- 14.17.3 Signs (including "open house", "for sale" and "for lease") the nature, time restrictions, number and location of which have been approved in advance and in writing by the Design Review Committee.
- 14.17.4 Signs, whether temporary or permanent, of Developer Owners and/or builders on any Lot or Parcel approved in writing from time to time by Declarant or the Design Review Committee as to number, size, colors, design, message content, location and type.
- 14.17.5 Such other signs (including but not limited to construction job identification signs, builders signs, and subdivision, shopping center, apartment and business identification signs) which are in conformance with the requirements of Pima County and which have been approved in writing by the Declarant or the Design Review Committee as to size, colors, design, message content and location.
- 14.17.6 Such signs as may be required for traffic control and regulation of Common Areas.
- 14.17.7 Seasonal signs and decorations which have been approved by the Design Review Committee, which shall not be permanent and shall be removed within 30 days of being erected.
- 14.18 <u>Model Homes, Sales and Administration Offices</u>. Nothing in this Declaration shall limit the right of Declarant to complete excavation, grading and construction of Improvements to any of the Property or to construct such additional Improvements as Declarant deems advisable in the course of development of the Property so long as any Lot therein remains unsold. Further, nothing in this Article shall limit the right of Declarant to use any structure as a sales model, sales office or construction office or parking area and to place any sign, banner, flag or similar method of advertisement to promote sales within the Property or subdivisions of Declarant or a Developer Owner. Without limitation, the Declarant may

maintain sales, administration and construction offices on any Lot or Parcel within the Property and may maintain parking areas and parking lots on any Lot or Parcel or Common Area within the Property. The rights of Declarant hereunder may only be assigned by Declarant to a Developer Owner by written evidence thereof.

- 14.19 Rental of Lots. An Owner who leases his Lot to any Person shall be responsible for assuring compliance by his Lessee with all of the provisions of this Declaration, the Articles, Bylaws, Association Rules and Design Guidelines, all as amended and supplemented from time to time, and shall be jointly and severally responsible for any violations by his Lessee thereof.
- 14.20 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or other Occupant of a Lot or Parcel, any member of the Design Review Committee, any member of the Board, or any authorized representative of either of them, shall have the right to enter upon and inspect any Lot or Parcel, and the Improvements thereon, except for the interior portions of any completed residence, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with and such persons shall not be deemed guilty of trespass by reason of such entry.
- 14.21 Enforcement. The Association or its authorized agents may enter any Lot or Parcel in which a violation of these restrictions exists and may correct such violation at the expense of the Owner of such Lot or Parcel. Such expenses, and such fines as may be imposed pursuant to the Bylaws, Association Rules or Design Guidelines, shall be a Special Assessment secured by a lien upon such Lot enforceable in accordance with the provisions of Article 7 hereof. All remedies described in Article 7 hereof and all other rights and remedies available at law or equity shall be available in the event of any breach by any Owner, Member, Occupant or other Person of any provision of this Section 14.
- 14.22 <u>Health, Safety and Welfare</u>. In the event additional uses, activities, and facilities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners, Lessees and Residents, the Board may make rules restricting or regulating their presence in Las Campanas as part of the Association Rules or may direct the Design Review Committee to make rules governing their presence on Lots or Parcels as part of the Design Guidelines or Association Rules.
- 14.23 <u>Greenhouses and Storage Sheds</u>. Greenhouses and storage sheds shall be permitted within the Property provided they are appropriately screened from View of Neighboring Properties, conform with all Design Guidelines including height and exterior materials and approved by the Design Review Committee.
- 14.24 <u>Maintenance of Landscaping</u>. Each Owner of a Lot or Parcel shall keep that Lot or Parcel and any buffer area adjoining the Lot or Parcel (to the extent the buffer area is not Common Area) clean and free of trash, rubbish, debris, weeds, dead or decaying vegetation (including compost piles), other unsightly material, and any plant or other vegetation which the Design Review Committee determines, for aesthetic or health reasons, should not be permitted within the Property. Each Owner of a Lot or Parcel shall maintain all landscaping on the Lot or Parcel and any buffer area adjoining the Lot or Parcel in good condition and repair, neatly

trimmed, properly cultivated, and in an attractive and viable condition, free of trash, rubbish, debris, weeds, dead or decaying vegetation (including compost piles), or other unsightly material.

- 14.25 Repair of Improvements. No Improvement on any Lot or Parcel shall be permitted to fall into disrepair, and each Improvement shall, at all times, be kept in good condition and repair and adequately painted or otherwise finished. If any Improvement is damaged or destroyed, such Improvement shall be immediately repaired or rebuilt (after the approvals required by this Declaration have been obtained) or shall be demolished.
- 14.26 <u>Temporary Occupancy</u>. No trailer, vehicle, mobile home, basement of any incomplete building, tent, shack, garage, barn, or temporary building or structure of any kind shall be used at any time for a residence, either temporary or permanent, without prior written approval by the Board. Tenancy under an agreement shall not be for a period of less than 30 days and at no time shall Time Share ownership or Time Share operations be allowed on the Property.
- 14.27 <u>Single-Family Occupancy: Tenants</u>. Each residential Dwelling Unit constructed on the Property may be occupied only by a single family. Any Dwelling Unit may be rented to a single-family Tenant from time to time by the Owner, subject to the Association Rules. The Owner of each Dwelling Unit shall, at or prior to execution of any Lease, furnish to the Tenant a copy of the Declaration, the Articles and Bylaws and the Association Rules and obtain a receipt for such items executed by the Tenant. The receipt obtained by the Owner shall be delivered to the Association on or before one week after the Lessee or Tenant is entitled to occupancy of the Dwelling Unit or at the request of the Association.
- 14.28 Fences, Walls and Hedges. No fence or wall may exceed six feet in height, without approval of the Design Review Committee. Any planting used to form a hedge will be subject to the same setback and height requirements as applied to a fence or wall. In determining the height of a wall or other such item, the natural ground level shall be used. Bare concrete walls and chain link fences are prohibited.
- 14.29 <u>Screening</u>. Mechanical, electrical equipment and utility meters to be installed by an Owner or Developer Owner, shall be concealed so as not to be Visible From Neighboring Property. Included within this restriction are air conditioning, evaporative coolers, solar equipment and pool pump or heating equipment. No such equipment or Parcel shall be permitted to be roof mounted or to remain exposed on any Lot or Parcel unless reasonably concealed by planting, fence or wall as approved by the Design Review Committee.
- 14.30 <u>Native Growth</u>. The natural growth on the Property will not be destroyed or removed except by Declarant or as approved in writing by the Design Review Committee. In the event growth is removed, except as stated above, the Design Review Committee may require the replanting or replacement of same; the cost thereof to be borne by the Owner responsible for such removal.

- 14.31 <u>Modification</u>. The Board may modify or increase the foregoing restrictions or otherwise restrict and regulate the use and occupancy of the Property and the Lots by reasonable rules and regulations of general application adopted by the Board from time to time which shall be incorporated into the Association Rules.
- 14.32 <u>Declarant Exemption</u>. Declarant shall have the right to permanently exempt any Lot or Parcel from all the provisions of this Article or to modify the application of this Article to any Lot or Parcel by including such exemption or modification in any Tract Declaration. Declarant's right to exempt Lots or Parcels under this Article shall terminate upon the date specified in a Recorded instrument executed by Declarant expressly waiving its right to exercise the rights and powers conferred upon it by this Section (or, if no date is specified, the date of Recordation of such Recorded instrument).

ARTICLE 15

GENERAL PROVISIONS

- 15.1 Water Rights, FICO Obligations. The Association shall have the right to receive all excess water which any Lot or Parcel, or the Owner thereof, is entitled to receive from any irrigation district and/or water company serving such Lot or Parcel. The Association may use such water for maintaining the Common Areas and for other appropriate uses for the benefit of the Owners and Occupants generally. In order to ensure compliance with the FICO Agreement, each Owner shall execute any assignments or instructions as the Association may request in order to meter, maintain, increase or obtain allocations of water to which such Owner's Lot or Parcel is entitled and to enable the Association to receive water which is at any time allocated to the Lot or Parcel. In accordance with the FICO Agreement, each Owner for each Lot or Parcel and any portion thereof, covenants and agrees that no wells from which water is produced shall be dug or extracted, nor shall storage tanks or reservoirs, be made or operated anywhere on the Property; provided, however, that the foregoing shall not prevent the drilling, installation or operation of additional water wells by Declarant or its assigns.
- 15.2 <u>Enforcement Rights</u>. Each Owner (including Declarant, so long as Declarant is an Owner) shall have the right and authority, but not the obligation, to enforce the provisions of this Declaration.
- 15.2.1 <u>Violation of Rules</u>. If any Owner, his family or any licensee, tenant or lessee or invitee violates the restrictions of this Declaration or the Association's Rules, the Board may, in addition to any other enforcement provisions contained herein, suspend the right of such person to use the Common Area, under such conditions as the Board may specify, for a period not to exceed 60 working days for each violation. Each day an infraction continues is a separate violation. Before invoking any such suspension, the Board shall give such person a notice of hearing before the Board.

Further, the Association shall have the authority to bring an action at law or in equity to enforce any of the provisions and Restrictions of this Declaration. Expenses of

enforcement, in the event the Association is a substantially prevailing party, shall be paid to the Association by the Owner against whom enforcement action was commenced. The Association shall have the right to enter upon the Lot of any Owner for the purpose of repairing, modifying or demolishing Improvements which are not in conformance with the provisions of this Declaration and all expenses incurred in connection therewith shall be paid to the Association by the Owner in violation.

- 15.2.2 <u>Violation of Law</u>. Each and every provision of this Declaration and any amendment hereto shall be subject to all applicable governmental ordinances and subdivision regulations and any future amendments thereto. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any of the Properties is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein or in the Bylaws.
- 15.3 <u>Interpretation of the Covenants</u>. Except for judicial construction and as hereinafter provided, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration the Design Guidelines, Association Rules, and of any Tract 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 or of any Tract Declaration shall be final, conclusive and binding as to all Persons and property benefitted or bound by this Declaration or of the applicable Tract Declaration.
- 15.4 <u>Severability</u>. 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.
- 15.5 <u>Rule Against Perpetuities</u>. If any of the interests, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities or any related rule, then such provision shall continue until 21 years after the death of the last survivor of the now living descendants of the President of the United States in office on the date this Declaration is Recorded.
- 15.6 <u>Change of Circumstances</u>. 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.
- 15.7 <u>Declarant's Disclaimer of Representations</u>. Notwithstanding anything to the contrary herein, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of Las Campanas can or will be carried out, or that any real property now owned or hereafter acquired by it is or will be subjected to this Declaration, or that any such real property (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such real property is once used for a particular use, such use will continue in effect. While Declarant has no reason to believe that any of the restrictive covenants contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such

restrictive covenant. Any Owner acquiring a Lot or Parcel in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and by accepting a deed to the Lot or Parcel agrees to hold Declarant harmless therefrom.

- 15.8 <u>Successors and Assigns</u>. Any reference in this Declaration to Declarant shall include successors or assignees of Declarant's rights and powers hereunder. Any such assignment shall be evidenced by a Recorded instrument executed by Declarant and its successor or assignee.
- 15.9 Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders. Words in the singular shall include the plural; and words in the plural shall include the singular.
- 15.10 <u>Captions</u>. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.
- 15.11 Notices. If notice of any action or proposed action by the Board or any committee or of any meeting is required by applicable law, this Declaration or any resolution of the Board to be given to any Owner or Occupant 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 Pima County, Arizona. 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.
- 15.12 FHA/VA Approval. If this Declaration has been initially approved by the FHA, VA or any Agency in connection with any loan programs made available by FHA, VA or any Agency in regard to the Property, then for so long as there is a Class B Member of the Association, the following actions will require the prior approval of the FHA, VA or any Agency, as applicable, unless the need for such approval has been waived by FHA, VA or any Agency: dedication or other changes in configuration or use of the Common Areas (except where such dedication or change is required as of the date hereof by the County) annexation and deannexation provisions; and amendments of this Declaration.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed.

LAWYERS TITLE OF ARIZONA, INC., an Arizona corporation, as Trustee under Trust 7775-T

STATE OF ARIZONA)
)ss:
COUNTY OF PIMA)

This instrument was acknowledged before me this 16th day of March, 1995 by Joyce M.Rodda, Asst. Vice President of Lawyers Title of Arizona, Inc., an Az. Corp., as the act of said corporation, as Trustee.

MOTARY PUBLIC

My commission expires:

OFFICIAL SEAL
JENNIFER A. McCLURE
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Comm. Expires Nov. 30, 1998

EXHIBIT A

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STATE OF ARIZONA)
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JENNIFER A. McCLURE
HOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Comm. Expires Nov. 30, 1998

Lawyers Title Insurance Orporation

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA
SCHEDULE A

EXHIBIT "A"

Canoa Ranch

The San Ignacio De La Canoa Private Land Grant according to the Survey of the said land grant, made by the United States Surveyor General, on March 10, 1901, now on file in Surveyor General's Office in the City of Phoenix, State of Arizona.

EXCEPT that certain parcel conveyed by Deed recorded in Book 61 of Deeds at page 516, more particularly described as follows:

Commencing at the monument located in the center of the Northerly Boundary line of said land grant, from which the Northeasterly corner of Township 18 South, Ranch 13 East, Gila and Salt River Meridian, bears North 26 degrees 10 minutes East 5518.92 feet more or less;

Thence along the said Northerly boundary North 59 degrees 20 minutes West a distance of 6875.00 feet more or less, to a monument marked "S.I.D.L.C.N.W.COR" at the Northwest corner of said land grant.

Thence along the Westerly boundary of said land grant South 22 degrees 56 minutes West a distance of 29858.40 feet, more or less;

Thence South 59 degrees 20 minutes East 13750.00 feet, more or less, to a point on the East boundary line of said land grant;

Thence along the Easterly boundary line of said land grant North 22 degrees 56 minutes East a distance of 29858.40 feet, more or less, to a monument marked "S.I.D.L.C.N.E.COR.", at the Northeast corner of the said land grant;

Thence along the said Northerly boundary North 59 degrees 20 minutes West 6875.00 feet, more or less, to the place of beginning, being the Northerly portion of the said land grant.

and EXCEPT a railway right-of-way across the foregoing land as recorded in Book 52 of Deeds at page 294 in the office of the County recorder of Pima County, Arizona, and;

Continued...

ASE NO. 245,178



NATIONAL HEADQUARTERS
SCHEDULE A

EXHIBIT "A"

EXCEPT that portion described as follows:

Beginning at a point on the Westerly boundary of said land grant, which point is North 22 degrees 56 minutes East along said boundary, a distance of 507.08 feet from the seven mile stone, as shown on the map of the survey of said land grant, which point of beginning is the point of intersection of the said boundary with the fence line recognized as the Southerly boundary of that portion of said land grant as recorded in the office of the County Recorder, Pima County, Arizona, in Book 154 of Dockets at page 165;

Thence South 59 degrees 14 minutes 30 seconds East along said fence line a distance of 5707.47 feet to the Westerly right-of-way of the Tucson-Nogales Highway;

Thence South 22 degrees 19 minutes 48 seconds West along said right-of-way a distance of 820.96 feet to a point of curve;

Thence Southwesterly along said right-of-way and curve to the left, having a radius of 11384.16 feet, through a central angle of 7 degrees 49 minutes 10 seconds a distance of 1553.65 feet to a point of tangent;

Thence South 30 degrees 08 minutes 58 seconds West along said right-of-way a distance of 872.64 feet;

Thence North 85 degrees 29 minutes 18 seconds West, a distance of 5759.12 feet to the Westerly boundary of said land grant, which point is the eight mile stone as shown on the map of the survey of said land grant;

Thence North 22 degress 56 minutes East along said Westerly boundary a distance of 5833.97 feet to the point of beginning; and EXCEPT that parcel recorded in Book 6124 at page 1050, records of Pima County, Arizona, more particularly described as follows:

That portion of the Southwesterly 50 feet of said land grant commencing and lying 100.00 feet Southeasterly of the Easterly right-of-way line of the Southern Pacific Railroad as it now exists; and the Southeasterly 50 feet of said land grant, the Easterly line of which is described as follows:

Continued...

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NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA
SCHEDULE A

EXHIBIT "A"

Canoa Ranch

The San Ignacio De Ia Canoa Private Land Grant according to the Survey of the said land grant, made by the United States Surveyor General, on March 10, 1901, now on file in Surveyor General's Office in the City of Phoenix, State of Arizona.

EXCEPT that certain parcel conveyed by Deed recorded in Book 61 of Deeds at page 516, more particularly described as follows:

Commencing at the monument located in the center of the Northerly Boundary line of said land grant, from which the Northeasterly corner of Township 18 South, Ranch 13 East, Gila and Salt River Meridian, bears North 26 degrees 10 minutes East 5518.92 feet more or less;

Thence along the said Northerly boundary North 59 degrees 20 minutes West a distance of 6875.00 feet more or less, to a monument marked "S.I.D.L.C.N.W.COR" at the Northwest corner of said land grant.

Thence along the Westerly boundary of said land grant South 22 degrees 56 minutes West a distance of 29858.40 feet, more or less;

Thence South 59 degrees 20 minutes East 13750.00 feet, more or less, to a point on the East boundary line of said land grant;

Thence along the Easterly boundary line of said land grant North 22 degrees 56 minutes East a distance of 29858.40 feet, more or less, to a monument marked "S.I.D.L.C.N.E.COR.", at the Northeast corner of the said land grant;

Thence along the said Northerly boundary North 59 degrees 20 minutes West 6875.00 feet, more or less, to the place of beginning, being the Northerly portion of the said land grant.

and EXCEPT a railway right-of-way across the foregoing land as recorded in Book 52 of Deeds at page 294 in the office of the County recorder of Pima County, Arizona, and;

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NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA
SCHEDULE A

EXHIBIT "A"

Beginning at the most Southerly corner of said land grant:

Thence Northeasterly along the Easterly line of said land grant to a point 30 feet Northerly of the South line of Lot 3, Section 28, Township 19 South, Range 13 East, of the Gila and Salt River Base and Meridian, Pima County, Arizona, measured at right angle from the South line of said Lot 3;

and EXCEPT: Those six well-site tracts recorded in Docket 7753, page 864, records of Pima County, Arizona more particularly described as follows:

- 1. From that certain well known as S-1 Arizona Department of Water Resources Registration Number 55-623111 within the Southwest Quarter of the Southwest Quarter of the Northeast Quarter of Section 3, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;
- 2. From that certain well known as S-2 Arizona Department of Water Resources Registration Number 55-623112 within the Northwest Quarter of the Southwest Quarter of the Northwest Quarter of Section 10, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;
- 3. From that certain well known as S-3 Arizona Department of Water Resources Registration Number 55-623113 within the Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 16, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;
- 4. From that certain well known as S-4 Arizona Department of Water Resources Registration Number 55-623114 within the Southeast Quarter of the Southeast Quarter of Section 17, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;
- 5. From that certain well known as S-5 Arizona Department of Water Resources Registration Number 55-623115 within the Northeast Quarter of the Southeast Quarter of the Southwest Quarter of Section 20, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;

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NATIONAL HEADQUARTERS SCHEDULE A

EXHIBIT "A"

6. From that certain well known as S-6 Arizona Department of Water Resources Registration Number 55-623116 within the West Quarter of the Northeast Quarter of the Southwest Quarter of Section 29, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;

NOTE: As used herein reference to Sections refers to protracted Sections from the U. S. Government Rectangular System of Public Land Survey for Township 19, Range 13 East, Gila and Salt River Meridian, Arizona.

and EXCEPT that portion more particularly described as follows:

Beginning at the Southwesterly corner of said land grant;

Thence North 22 degrees 56 minutes 00 seconds East along the Westerly boundary of said land grant a distance of 5791.13 feet;

Thence South 63 degrees 07 minutes 54 seconds East a distance of 4513.90 feet to the Westerly right-of-way of the Tucson-Nogales Highway;

Thence South 23 degrees 58 minutes 06 seconds West, along said right-of-way, a distance of 5895.58 feet to a point of curve;

Thence Southwesterly along said right-of-way and curve to the right, having a radius of 11384.16 feet, through a central angle of 00 degrees 56 minutes 17 seconds a distance of 186.38 feet to the Southerly boundary of the said land grant;

Thence North 59 degrees 17 minutes 43 seconds West along said South line, a distance of 4432.61 feet to the point of beginning; and

EXCEPT that portion more particularly described as follows:

Beginning at the eight mile stone on the Westerly boundary of said land grant, as shown on the map of said survey;

Thence South 22 degrees 55 minutes 38 seconds West along said Westerly boundary a distance of 1120.83 feet;

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NATIONAL HEADQUARTERS
RICHMOND VIRGINIA
SCHEDULE A

EXHIBIT "A"

Beginning at the most Southerly corner of said land grant:

Thence Northeasterly along the Easterly line of said land grant to a point 30 feet Northerly of the South line of Lot 3, Section 28, Township 19 South, Range 13 East, of the Gila and Salt River Base and Meridian, Pima County, Arizona, measured at right angle from the South line of said Lot 3;

and EXCEPT: Those six well-site tracts recorded in Docket 7753, page 864, records of Pima County, Arizona more particularly described as follows:

- 1. From that certain well known as S-1 Arizona Department of Water Resources Registration Number 55-623111 within the Southwest Quarter of the Southwest Quarter of the Northeast Quarter of Section 3, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;
- 2. From that certain well known as S-2 Arizona Department of Water Resources Registration Number 55-623112 within the Northwest Quarter of the Southwest Quarter of the Northwest Quarter of Section 10, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;
- 3. From that certain well known as S-3 Arizona Department of Water Resources Registration Number 55-623113 within the Southeast Quarter of the Northeast Quarter of Section 16, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;
- 4. From that certain well known as S-4 Arizona Department of Water Resources Registration Number 55-623114 within the Southeast Quarter of the Southeast Quarter of Section 17, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;
- 5. From that certain well known as S-5 Arizona Department of Water Resources Registration Number 55-623115 within the Northeast Quarter of the Southeast Quarter of the Southwest Quarter of Section 20, Thence 50 feet North to point of beginning, Thence 50 feet West, Thence 100 feet South, Thence 100 feet East, Thence 100 feet North, Thence 50 feet West to point of beginning;

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NATIONAL HEADQUARTERS SCHEDULE A

EXHIBIT "A"

Thence South 67 degrees 38 minutes 37 seconds East a distance of 5338.41 feet to the Westerly right-of-way of the Tucson-Nogales Highway;

Thence North 24 degrees 08 minutes 29 seconds East along said right-of-way, a distance of 1665.09 feet to a point of curve 75 feet left of Engineer's Station $1885 \div 57.55;$

Thence Northeasterly along said right-of-way and curve to the right, having a radius of 11534.16 feet an arc length of 1226.31 feet to a point 75 feet left of Engineer's Station 1897 + 75.88;

Thence North 85 degrees 29 minutes 18 seconds West, a distance of 5759.12 feet to the point of beginning.

and EXCEPT that portion of land within the rights-of-way of Interstate I-19 as established per I-19-1(40) right-of-way map Arizona Department of Transportation; and

EXCEPT that portion conveyed to Fairfield Green Valley, Inc., an Arizona corporation by instrument recorded December 1, 1994 in Docket 9930 at page 760.

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