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MAJESTIC HOMES
SOUTHWEST BUILDING CO LLC
11684 VENTURA BLVD STE 624
STUDIO CITY, CA 91604

**DECLARATION OF
COVENANTS, CONDITIONS &
RESTRICTIONS
FOR
PATRIOT ESTATES**

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
PATRIOT ESTATES**

This Declaration is made pursuant to and in compliance with A.R.S. §33-1801, et. seq., this 02 day of MAY, 200~~6~~²⁰⁰⁸, by MAJESTIC HOMES SOUTHWEST BUILDING CO, LLC., an Arizona limited liability company, referred to as "Declarant".

WITNESSETH:

WHEREAS, the Declarant is the fee owner of that certain real property situated in Mohave County, Arizona, described on Exhibit "A" attached hereto.

WHEREAS, Declarant desires to develop the subject property, together with all Buildings and improvements now or hereafter constructed on the property, and all easements and rights appurtenant thereto (hereinafter collectively referred to as "the Property") as a Single Family Residential Community, and

WHEREAS, Declarant desires to establish for its own benefit and for the mutual benefit of all future Owners who hold their interest subject to this Declaration, which is recorded in furtherance of establishing the general plan of lot ownership for the Property and for establishing rules for

1 the use, occupancy and management thereof, all for the
2 purpose of enhancing and protecting the value, utility,
3 desirability, and attractiveness of the Property;

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5 ARTICLE I

6 Definitions

7 Each of the following words and phrases shall, in
8 this instrument, have the respective meaning shown below,
9 unless a contrary meaning shall, by the context, be evident:

10 1. "Architectural Control Committee" shall mean
11 the committee of the Association to be created pursuant to
12 Article VI of this Declaration and the Bylaws.

13 2. "Architectural Rules" means the rules and
14 guidelines adopted by the Architectural Committee pursuant to
15 this Declaration and the Bylaws, as may be amended from time
16 to time.

17 3. "Articles" shall mean the Articles of
18 Incorporation of the Association as said Articles of
19 Incorporation may from time to time be amended and restated.

20 4. "Assessments" shall include the following:

21 (a) "Annual Assessment" means the amount
22 which is to be paid by each Member of the Association for
23 Common Expenses.
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1 (b) "Special Assessment" means a charge
2 against a particular Owner, directly attributable to the
3 Owner, to reimburse the Association for costs incurred in
4 bringing the Owner into compliance with the provisions of
5 this Declaration, the Articles, Bylaws, Association Rules
6 and/or Architectural Rules, or any other charge designated as
7 a Special Assessment in this Declaration, the Articles,
8 Bylaws, Association Rules and/or Architectural Rules,
9 together with attorneys' fees and other charges payable by
10 such Owner, pursuant to the provisions of this Declaration,
11 plus interest thereon as provided for in this Declaration.
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13 Special Assessment shall also mean a charge against
14 each Member, representing a portion of the cost to the
15 Association for installation, construction, reconstruction,
16 repair or replacement of any capital improvements on any of
17 the Real Property which the Association may from time to time
18 authorize pursuant to the provisions of this Declaration.

19 5. "Association" shall mean and refer to the
20 PATRIOT ESTATES PROPERTY OWNERS ASSOCIATION, an Arizona
21 nonprofit corporation, and its successors and assigns, formed
22 and maintained pursuant to Section 33-1801 et seq., Arizona
23 Revised Statutes, composed of the Owners as defined
24 hereinbelow. In the event the name Patriot Estates Property
25 Owner's Association is not available, the Declarant may
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1 organize the Association under such other name as the
2 Declarant deems appropriate.

3 6. "Association Rules" shall mean the rules and
4 regulations adopted by the Board pursuant to Article III of
5 this Declaration and the Bylaws, as they may be amended from
6 time to time.

7 7. "Board" shall mean the Board of Directors of
8 the Association.

9 8. "Bylaws" shall mean the Bylaws of the
10 Association as said Bylaws may from time to time be amended.

11 9. "Common Area" means all real property,
12 together with all Improvements situated thereon, which the
13 Association owns in fee or in which the Association has a
14 leasehold interest. "Common Area" shall not include any real
15 property, improvements or personal property acquired by the
16 Association in lieu of foreclosure of trustee's sale or
17 through attachment, foreclosure, Sheriff's sale, Trustee's
18 sale, tax sale, redemption or any other judicial, quasi-
19 judicial, bankruptcy or regulatory action.

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

23 11. "Declarant" shall mean (i) MAJESTIC HOMES
24 SOUTHWEST BUILDING CO, LLC., an Arizona limited liability
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1 company, and (ii) any successor in interest of it to whom all
2 or any of the rights of Declarant under the Articles, Bylaws
3 and this Declaration have been transferred. Notwithstanding
4 the provisions of the Article hereof entitled "Amendment" to
5 the contrary, this paragraph may not be amended without the
6 approval of Declarant.

7 12. "Declaration" shall mean the Declaration of
8 Covenants, Conditions and Restrictions of the Association, as
9 the same may from time to time be amended.

10 13. "Exhibit" means those documents so designated
11 herein and attached hereto and each of such Exhibits is by
12 this reference incorporated in this Declaration.

13 14. "Improvement" shall mean the buildings, roads,
14 roadways, parking areas, lighting fixtures, fences, walls,
15 hedges, plantings, planted trees and shrubs, recreational
16 areas, swimming pools and all other structures or landscaping
17 of every kind and type.

18 15. "Lot" shall mean each parcel of real property
19 designated as a lot on the Plat and, where the context
20 indicates or requires, shall include any Residential Dwelling
21 Unit, building structure or other improvement situated on the
22 Lot.

23 16. "Member" shall mean an Owner, as defined
24 hereinbelow, entitled to membership in the Association.
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1 Membership shall be appurtenant to and may not be separated
2 from ownership of a Lot.

3 17. "Mortgage" shall mean any real property
4 mortgage or deed of trust encumbering any Lot or agreement
5 for deed.

6 18. "Mortgagee" shall mean the mortgagee under any
7 real property mortgage or beneficiary under any deed of trust
8 or vendor under a contract for deed, which mortgage or deed
9 of trust or contract for deed encumbers or provides for the
10 conveyance of any Lot.

11 19. "Owner" shall mean the person(s) who hold(s)
12 record title to any Lot, including Declarant for as long as
13 Declarant holds title to a Lot. "Owner" shall include any
14 person having a fee simple title to any Lot, but shall
15 exclude persons or entities having any interest merely as
16 security for the performance of any obligation. Further, if
17 a Lot is sold under a recorded contract for deed to a
18 purchaser, the purchaser, rather than the fee owner, shall be
19 considered the "Owner" as long as he or a successor in
20 interest remains the contract purchaser under the recorded
21 contract.
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23 20. "Plat" means the plat of subdivision of the
24 Real Property as first recorded in the official records of
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1 Mohave County, Arizona, and as thereafter from time to time
2 amended or supplemented.

3 21. "Purchaser" shall mean any person or other
4 legal entity, who becomes an Owner of any Lot within the
5 Property, except Declarant.

6 22. "Real Property" means all the real property
7 described on Exhibit "A" hereto.

8 23. "Recreational Vehicle" shall mean a vehicular
9 type unit, including 5th wheels, trailers, etc. designed as
10 temporary living quarters for recreation, camping or travel
11 use.

12 24. "Single Family" shall mean one or more persons
13 each related to the other by blood, marriage or legal
14 adoption, or a group of no more than three persons not all so
15 related, together with their domestic servants, who maintain
16 a common household in a dwelling.

17 25. "Visible From Neighboring Property" shall
18 mean, with respect to any given object, that such object is
19 or would be visible to a person six feet tall, standing on
20 any part of such neighboring Lot at an elevation of the base
21 of the object being viewed.
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1 Section 3 Description of Project.

2 The Property shall be known as

3 Patriot Estates

4 The first phase shall consist of fifty six (56)
5 lots as designated on the plat and the second phase shall
6 consist of sixty three (63) lots as designated on the plat.
7 The One Hundred Nineteen (119) Lots to be constructed in both
8 phases are identified numerically on the Recorded Plat as
9 follows:

- 10 Block 1 Lots 1-23
11 Block 2 Lots 1-76
12 Block 3 Lots 1-13
13 Block 4 Lots 1-7

14 The dimensions of each of the Lots are set forth on
15 the Plat. This project is intended to be constructed in two
16 (2) phases. Phase one (1) shall consist of fifty-six (56)
17 lots designated on the plat as phase A and consisting of Lots
18 42-76 in Block one (1) and Lots 1-21 in Block two (2). Phase
19 two shall consist of the remaining lots designated on the
20 plat as Phase B and consisting of Lots 1-41 in Block one,
21 Lots 23 and 24 in Block two (2), Lots 1-13 in Block three (3)
22 and Lots 1-7 in Block four (4).

23 The Common Elements shall consist of the entire
24 Property, excluding the Lots. Each Lot when the project is
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1 completed shall bear an undivided 1/119th interest in the
2 entire Association.

3 Section 4 Disclaimer of Representations.

4 Declarant makes no representations or warranties
5 whatsoever that (i) the Project will be completed in
6 accordance with the plans of the Project as they exist on the
7 day this Declaration is recorded; (ii) any property subject
8 to this Declaration will be committed to or developed for any
9 use; (iii) the use of any Property subject to this
10 Declaration will not be changed in the future; or (iv) all
11 Phases of the Project will be completed.

12 Section 5 Declarant's Easement. Declarant is

13 hereby granted an easement to use as means of ingress and
14 egress the Private Roads, if any, located within the
15 Association's Common Areas and over other areas of
16 Association responsibility to construct all improvements
17 Declarant deems necessary and to use the areas of Association
18 responsibility and any lots and other property owned by
19 Declarant for construction or renovation related purposes
20 including the storage of tools, machinery, equipment,
21 building materials, appliances, supplies and fixtures, and
22 the performance of work respecting the Project. Declarant
23 shall also have the right and/or easement upon over and
24 through the areas of Association responsibility as may be
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1 reasonably necessary for the purpose of discharging its
2 obligations and exercising its rights granted to or reserved
3 by the Declarant by this Declaration. The easement shall run
4 with the land and shall be for the benefit and use of
5 Declarant, its heirs, executors, administrators and assigns.
6 Notwithstanding the Article entitled "Amendment", no
7 amendment, revocation or rescission of said reservation of
8 easement may be had prior to the conveyance by Declarant (or
9 its successor) of the last Lot without the (a) written
10 consent of the Declarant and (b) recording of such consent in
11 the Office of the Recorder of Mohave County, Arizona.
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13 ARTICLE III

14 THE ASSOCIATION

15
16 PATRIOT ESTATES PROPERTY OWNERS' ASSOCIATION, a
17 non-profit corporation organized under and by virtue of the
18 laws of the State of Arizona governing non-profit
19 corporations, shall accept responsibility for and provide
20 such necessary and appropriate action for the proper
21 maintenance, repair, replacement, operation, management,
22 beautification, and improvement of that certain property and
23 Improvements to be used in common by and for the benefit of
24 the Owners of Lots on said properties. The affairs of the
25 Association shall be conducted by the Board of Directors and
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1 such officers as the Board may elect or appoint in accordance
2 with the Articles and the Bylaws.

3 Section 1 Declarant's Period of Control.

4 1.1 Until such time as Ninety (90) Lots in the
5 above described properties have been conveyed to the
6 Purchasers thereof, all right, discretion, power and
7 authority herein granted to said Owners Association and said
8 Lot Owners through said Property Owners Association,
9 including the right to collect Assessments and appoint or
10 remove any officer of the Association or Board Director,
11 shall, at the option of Declarant remain with Declarant
12 directly or through said Owners Association (referred to as
13 "Declarant's Period of Control" in the Association
14 Instruments).

15
16 Upon the sale of not less than Ninety (90) of said
17 Lots, or unless earlier required by Declarant, all such
18 right, discretion, power and authority shall be assumed by
19 the Lot Owners who are then Members of the Owners
20 Association, through their Officers and Directors who shall
21 be duly elected at such time.

22 1.2 Until such time as Ninety (90) Lots have been
23 conveyed or transferred from Declarant to the Purchasers
24 thereof, Declarant shall be liable for any Assessment
25 referred to herein for any unoccupied Lot. In lieu of payment
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1 of such Assessment, Declarant will assume responsibility for
2 month-to-month maintenance, repair, and management of the
3 Common Elements until these functions are assumed by the
4 Owners. In the event Declarant shall not convey any Lot but
5 shall utilize any Lot for rental use or any other beneficial
6 use, Declarant shall be liable for Assessments referred to
7 herein. For purposes of this paragraph, assumption of control
8 of the Association is defined as having passed, conclusively,
9 to the Owners, collectively, upon completion of the following
10 requirements:

11 (a) Declarant shall notify the Owner of each Lot
12 that the Declarant has resigned and the Owner's Association
13 shall assume control effective Thirty (30) days after date of
14 notice.

15 (b) Declarant shall deliver to the Owners
16 Association corporate minutes, records, and seal, to any one
17 of the Owners of record receiving such notice, or to a
18 committee organized by the Owners of record for such purpose.

19 There shall be no outstanding or accrued debts
20 against the Association at the time of assumption of control
21 by the Owners beginning with the date of control of the
22 Association by the Owners. Declarant or its successor shall
23 at no time be responsible for any Assessment against any
24 Lots.
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1 1.3 In the event Declarant decides not construct
2 all Phases in the Project, the period of Declarant control as
3 set forth in this Section 1 shall be until such time as
4 seventy-five percent (75%) of the total lots in the Phase
5 constructed have been conveyed to the Purchaser thereof.

6 Section 2 General Duties of the Association. The
7 Association, through its Board, shall have the duty and
8 obligation to:

9 (a) enforce the provisions of this
10 Declaration, the Articles, Bylaws, Association Rules and
11 Architectural Rules by appropriate means and carry out the
12 obligations of the Association hereunder.

13 (b) maintain and otherwise manage the
14 following:

15 (1) all easements and Real Property and
16 all facilities, Improvements and landscaping thereon in which
17 the Association holds an interest, subject to the terms of
18 any instrument transferring such interest to the Association;

19 (2) all personal property in which the
20 Association holds an interest, subject to the terms of any
21 instrument transferring such interest to the Association; and

22 (3) all property, real or personal,
23 which the Association is obligated to repair or maintain
24 pursuant to this Declaration.
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1 (c) pay all real and personal property taxes
2 and other charges assessed to or payable by the Association.

3 (d) obtain for the benefit of the Common
4 Area, water, gas and electric, refuse collections and other
5 services if any.

6 Section 3 General Powers of the Association. The
7 Association, through its Board, shall have the power but not
8 the obligation to:

9 (a) employ a manager or other persons and
10 contract with independent contractors or managing agents who
11 have professional experience in the management of residential
12 developments similar to the Project, to perform all or any
13 part of the duties and responsibilities of the Association;

14 (b) acquire interests in real or personal
15 property for offices or other facilities that may be
16 necessary or convenient for the management of the Project,
17 the administration of the affairs of the Association or for
18 the benefit of the Members;

19 (c) borrow money as may be needed in
20 connection with the discharge by the Association of its
21 powers and duties;

22 (d) provide trash pickup and disposal service
23 for the benefit of the Owners and their Lots;
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1 (e) negotiate and enter into contracts with
2 Institutional Mortgagees and mortgage insurers and guarantors
3 as may be necessary or desirable to facilitate the
4 availability of loans secured by Mortgages within the
5 project.

6 Section 4 Delegation of Powers. The Association
7 shall have the right, according to law, to delegate to
8 committees, officers, employees or agents any of its duties
9 and powers under this Declaration, the Articles, Bylaws,
10 Association Rules and Architectural Rules; provided, however,
11 no such delegation to a professional management company, the
12 Architectural Committee or otherwise shall relieve the
13 Association of its obligation to perform such delegated duty.

14 Section 5 Non-Liability of Officials. To the
15 fullest extent permitted by law, neither Declarant, the
16 Board, the Architectural Control Committee or any other
17 committees of the Association nor any member thereof, nor any
18 directors or officers of the Association, shall be liable to
19 any Owner, tenant, the Association or any other person for
20 any damage, loss or prejudice suffered or claimed on account
21 of any decision, approval or disapproval of plans or
22 specifications (whether or not defective), course of action,
23 act, inaction, omission, error, negligence or the like made
24 in good faith and which Declarant, the Board, or such
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1 committees or person reasonably believed to be within the
2 scope of their respective duties.

3 Section 6 Indemnification. To the fullest extent
4 permitted by law, every director and every officer of the
5 Association, the Members of the Architectural Control
6 Committee, Declarant (to the extent a claim may be brought
7 against Declarant by reason of its appointment, removal or
8 control of members of the Board or the Architectural Control
9 Committee), and every other person serving as an employee or
10 direct agent of the Association, or on behalf of the
11 Association as a member of a committee or otherwise, shall be
12 indemnified by the Association, against all expenses and
13 liabilities, including attorneys' fees, reasonably incurred
14 by or imposed upon him in connection with any proceeding to
15 which he may be a party, or in which he may become involved,
16 by reason of his being or having served in such capacity on
17 behalf of the Association (or, in the case of Declarant, by
18 reason of having appointed, removed or controlled or failed
19 to control members of the Board or the Architectural Control
20 Committee), or any settlement thereof, whether or not he is a
21 director, officer or member of the Architectural Control
22 Committee or serving in such other specified capacity at the
23 time such expenses are incurred, provided that the Board
24 shall determine, in good faith, that such officer, director,
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1 Member of the Architectural Control Committee or other
2 person, did not act, fail to act, or refuse to act willfully
3 or with gross negligence or fraudulent or criminal intent in
4 the performance of his duties. The foregoing rights of
5 indemnification shall be in addition to and not exclusive of
6 all other rights to which such persons may be entitled at law
7 or otherwise.

8 Section 7 Association Rules. The Association,
9 through its Board, shall be empowered to adopt, amend or
10 repeal such rules and regulations as it deems reasonable and
11 appropriate (the "Association Rules"), binding upon all
12 persons subject to this Declaration and governing the use
13 and/or occupancy of the Common Area or any other part of the
14 Project. The Association Rules may include the establishment
15 of a system of fines and penalties enforceable as Special
16 Assessments. The Association Rules shall govern such matters
17 in furtherance of the purposes of the Association, including,
18 without limitation, the use of the Common Area; provided,
19 however, that the Association Rules may not discriminate
20 among Owners except as expressly provided or permitted
21 herein, and shall not be inconsistent with this Declaration,
22 the Articles or Bylaws. A copy of the Association Rules as
23 they may from time to time be adopted, amended or repealed or
24 a notice setting forth the adoption, amendment or repeal of
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1 specific portions of the Association Rules shall be delivered
2 to each Owner in the same manner established in this
3 Declaration for the delivery of notices. Upon completion of
4 the notice requirements, said Association Rules shall have
5 the same force and effect as if they were set forth in and
6 were part of this Declaration and shall be binding on the
7 Owners and all other persons having any interest in, or
8 making any use of, the Real Property, whether or not actually
9 received by them. The Association Rules, as adopted, amended
10 or repealed, shall be available at the principal office of
11 the Association to each Owner or other person reasonably
12 entitled thereto, upon request. In the event of any conflict
13 between any provision of the Association Rules and any
14 provisions of this Declaration or the Articles or Bylaws, the
15 provisions of the Association Rules shall be deemed to be
16 superseded by the provisions of this Declaration, the
17 Articles or Bylaws to the extent of any such conflict.

19 Section 8 Easements. The Association is
20 authorized and empowered to grant upon, over, across, through
21 or under Real Property owned or controlled by the Association
22 such permits, licenses, easements and rights-of-way for sewer
23 lines, water lines, underground conduits, storm drains,
24 television cable and other similar public or private utility
25 purposes, roadways or other purposes as may be reasonably
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1 necessary and appropriate for the orderly maintenance,
2 preservation and enjoyment of the Common Area or for the
3 preservation of the health, safety, convenience and welfare
4 of the Owners and Members, provided that any damage to a
5 Residence resulting from such grant shall be repaired by the
6 Association at its expense.

7 Section 9 Entry on Lots. The officers, agents,
8 employees and independent contractors of the Association
9 shall have a nonexclusive easement to enter any Lot for the
10 purpose of performing or satisfying the duties and
11 obligations of the Association hereunder, provided that such
12 entry shall occur (a) at a reasonable hour and (b) after
13 reasonable notice has been given to the Owner of such Lot.
14 In the event that there is an emergency and the Owner of such
15 Lot is not available at the time of such emergency, the
16 officers, agents, employees and independent contractors of
17 the Association may enter such Lot immediately and without
18 notice for the sole purpose of taking such action as is
19 necessary under the circumstances.

21 Section 10 Discipline of Members. In addition to
22 all other rights, powers and duties possessed by and vested
23 in the Board under this Declaration, the Articles and the
24 Bylaws, the Board shall possess and be vested with the right
25 and power to (a) impose reasonable monetary penalties, in
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1 such amounts as determined by the Board in its sole
2 discretion, against an Owner and (b) seek reimbursement for
3 costs as follows:

4 10.1 As a disciplinary measure for any breach of
5 any of the (a) limitations, restrictions, conditions or
6 covenants set forth in this Declaration (other than a breach
7 by failure to pay an Assessment), (b) provisions of the
8 Articles or the Bylaws or (iii) rules or regulations adopted
9 by the Board pursuant to this Declaration, the Articles or
10 the Bylaws.

11 10.2 As a means of reimbursing the Association for
12 costs incurred by the Association (a) for the repair of
13 damages to the Common Area or any Improvements or personality
14 thereto or thereon allegedly caused by such Owner, its guests
15 or any occupant of such Owner's Lot or (b) in bringing such
16 Owner or the occupant of such Owner's Lot and/or said Lot
17 into compliance with this Declaration (other than the payment
18 of Assessments), the Articles, Bylaws or said rules and
19 regulations.

20 'Section 11 Monetary Penalties. The imposition of
21 a monetary penalty pursuant to Section 10 must be done in
22 good faith and in a fair and reasonable manner. The Owner
23 must be given 15 days prior notice of the imposition of a
24 monetary penalty. Said notice must set forth reasons for the
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1 imposition of the monetary penalty and may be given by any
2 method reasonably calculated to provide actual notice. Any
3 notice given by mail must be given by first-class, registered
4 or certified mail sent to the last address of the Owner shown
5 on the Association's records. The Owner must be provided an
6 opportunity to be heard, orally or in writing, not less than
7 five days before the effective date of the imposition of each
8 monetary penalty by a properly convened meeting of the Board.
9 Any such breach which is not remedied in the calendar month
10 in which the monetary penalty is imposed against an Owner by
11 reason thereof shall, until fully remedied, be deemed to
12 constitute a new breach in each succeeding calendar month for
13 which the Board may in each such calendar month impose a new
14 monetary penalty pursuant to this Section.

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16 Section 12 Implied Rights. The Association may
17 exercise any right or privilege given to the Association
18 expressly by the Project Documents and every other right or
19 privilege reasonably to be implied from the existence of any
20 right or privilege given to the Association by the Project
21 Documents or reasonably necessary to effectuate any such
22 right or privilege.

23 Section 13 Identity of Members. Membership in the
24 Association shall be limited to Owners of Lots. An Owner of
25 a Lot shall automatically, upon becoming the Owner thereof,
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1 be a member of the Association and shall remain a member of
2 the Association until such time as his ownership ceases for
3 any reason, at which time his membership in the Association
4 shall automatically cease.

5 Section 14 Voting Procedures. No change in the
6 ownership of a Lot shall be effective for voting purposes
7 unless and until the Board is given actual written notice of
8 such change and its provided satisfactory proof thereof. The
9 vote for each such Lot must be cast as a unit, and fractional
10 votes shall not be allowed. In the event that a Lot is owned
11 by more than one person or entity and such Owners are unable
12 to agree among themselves as to how their vote or votes shall
13 be cast, they shall lose their right to vote on the matter in
14 question. If any Member casts a vote representing a certain
15 Lot, it will thereafter be conclusively presumed for all
16 purposes that he was acting with the authority and consent of
17 all other Owners of the same Lot unless objection thereto is
18 made at the time the vote is cast. In the event more than
19 one vote is cast for a particular Lot, none of the votes
20 shall be counted and all of the votes shall be deemed void.

21 Section 15 Voting by Mail. Unless the project
22 documents require otherwise, when directors are to be elected
23 or any other matter is submitted to a vote of the members,
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1 such vote may be conducted by mail as provided in the Bylaws
2 or as determined by the Board.

3 Section 16 Transfer of Membership. The right and
4 obligations of any Member may not be assigned, transferred,
5 pledged, conveyed or alienated in any way except upon
6 transfer of ownership of an Owner's Lot, and then only to the
7 transferee of ownership to the Lot. A transfer of ownership
8 to a Lot may be affected by deed, intestate succession,
9 testamentary disposition, foreclosure of a mortgage of
10 record, or such other legal process as now in effect or as
11 may hereafter be established under or pursuant to the laws of
12 the State of Arizona. Any attempt to make a prohibited
13 transfer shall be void. Any transfer of ownership to a Lot
14 shall operate to transfer the Membership appurtenant to said
15 Lot to the new Owner thereof. Each Purchaser of a Lot shall
16 be subject to all of the terms, conditions and obligations
17 set forth in this Declaration upon becoming the Owner of a
18 Lot.
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21 Article IV

22 PROPERTY RIGHTS AND USE RESTRICTIONS

23 Section 1 Property Rights.

24 1.1 Owners' Easements of Enjoyment. Every Owner
25 shall have a right and easement of enjoyment in and to the
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1 Common Area, for the purpose for which the Common Area is
2 intended, which shall be an appurtenant to and shall pass
3 with the title to every Lot, subject to the following
4 provisions:

5 (a) The right of the Association to charge
6 reasonable fees for the use of any facility situated upon the
7 Common Area.

8 (b) The right of the Association to suspend
9 the voting rights and right to use the facilities by an Owner
10 for any period during which any Assessment against his Lot
11 remains unpaid or for any infraction of this Declaration or
12 the rules or regulations duly promulgated by the Association,
13 the Board or any duly constituted committee of the
14 Association or Board subject to the further provisions of
15 this Declaration and the Bylaws.

16 (c) The right of the Association to dedicate,
17 transfer or convey, all or any part of the Common Area to any
18 public agency, authority, or utility for such purposes and
19 subject to such conditions as may be agreed to by the Members
20 as hereinafter provided.

21 (d) The right of Declarant and its agents and
22 representatives, in addition to the rights set forth
23 elsewhere in this Declaration, to nonexclusive use, without
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1 charge, of the Common Area for maintenance of sales
2 facilities, and display and exhibit purposes.

3 1.2 Delegation of Use. Any Owner may delegate, in
4 accordance with this Declaration, his right of enjoyment to
5 the Common Area to the members of his family, his tenants,
6 lessees, guests, and invitees, provided such delegation is
7 for a reasonable number of persons and at reasonable times.

8 1.3 Owners' Easement of Enjoyment Limitations. An
9 Owners' beneficial interest, right and easement of enjoyment
10 in and to the Common Area shall not be conveyed, transferred,
11 alienated or encumbered separate and apart from an Owners'
12 Lot and such right and easement of enjoyment in and to the
13 Common Area shall be deemed to be conveyed, transferred,
14 alienated or encumbered upon the sale of any Owners' Lot,
15 notwithstanding the description in the instrument of
16 conveyance, transfer, alienation or encumbrance may not refer
17 to the Common Area.

19 (a) The Common Area shall remain undivided
20 and no action for partition or division of any part thereof
21 shall be permitted.

22 (b) Each Owner, tenant and occupant of a Lot,
23 and the invitees, tenants, agents and employees of such
24 Owner, may use the Common Area in common with the Owners,
25 invitees, tenants, agents and employees of the other Lots in
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1 accordance with the purposes for which it is intended without
2 hindering or encroaching upon the lawful right of such
3 others.

4 (c) No Owner will be exempted from liability
5 for Assessments with respect to the Common Area by waiver of
6 the enjoyment of the right to use the Common Area or by
7 abandonment of his Lot or otherwise.

8 (d) Any Owner who rents or leases a Lot to
9 another shall forfeit his right to the use and enjoyment of
10 the Common Area during rental or lease term unless the Owner
11 owns another Lot or Lots which are not rented or leased. The
12 Owner's right to use and enjoyment if the Common Area shall
13 be deemed transferred to the tenant for the term of the
14 lease.

15
16 Section 2 Use Restrictions; Lots.

17 2.1 Use and Occupancy. The Lots in PATRIOT
18 ESTATES shall be used for and solely accommodate single
19 family residential dwellings which must have at least 1,300
20 square feet of interior living space with an attached two car
21 or larger garage. All single family residential dwellings
22 must be single story not to exceed eighteen (18) feet in
23 height and must have tile roofs or a combination of tile and
24 asphalt according to the approved plans. No gainful
25 occupation, profession, trade or other nonresidential use
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1 shall be conducted on any Lot. Nothing herein shall be
2 deemed to prevent the leasing of any Lot to a Single Family
3 from time to time by the Owner thereof, subject to all of the
4 provisions of this Declaration. Lots owned by Declarant may
5 be used for sales and construction offices for the purpose of
6 enabling Declarant to sell Lots within the Property, until
7 such time as all of the Lots owned by Declarant have been
8 sold to Purchasers. A maximum of two of any combination of
9 cars, motorcycles or other motor vehicles shall be parked or
10 maintained on any Lot. No cars, motorcycles or other motor
11 vehicles shall be parked or located on the Common Area or any
12 roads or streets within the Property except in designated
13 parking spaces or parking areas. The lots in Patriot Estates
14 are intended for use and occupancy as single family
15 residences. Purchasers may not sell a lot or nominate
16 another purchaser for the purchase of the lot prior to close
17 of escrow and further purchasers may not resell their lots
18 within twelve (12) months after close of escrow wherein a lot
19 is first sold by Declarant.

21 2.2 Temporary Occupancy, Temporary Buildings,
22 Mobile Homes. No trailer, incomplete building, tent, shack,
23 garage, or temporary buildings or structures of any kind and
24 no mobile home, shall be used at any time for a residence.
25 Temporary buildings, trailers or other structures used during
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1 the construction of Exterior Alterations approved by the
2 Architectural Committee, interior remodeling, re-roofing or
3 other work shall be removed immediately after the completion
4 of construction, and in no event shall any such buildings,
5 trailer or other structures be maintained or kept on any
6 property for a period in excess of one month without the
7 prior written approval of the Architectural Committee.

8 2.3 Antennas. The Association may establish rules
9 regarding the use, erection or maintenance of an antenna,
10 parabolic dish or other device for the transmission or
11 reception of television or radio signals or any other form of
12 electromagnetic radiation outdoors on any Lot whether
13 attached to a vehicle, building, structure or otherwise. The
14 Association Rules may include reasonable regulations
15 regarding erection, use and maintenance of such devices for
16 the purposes of minimizing the visual and other impacts to
17 the Property of such devices.

18 2.4 Utility Service. No lines, wires or other
19 devices for the communication or transmission of electric
20 current or power, including telephone, television and radio
21 signals shall be erected, placed or maintained anywhere in or
22 upon any Lot unless the same shall be contained in conduits
23 or cables installed and maintained underground or concealed
24 in, under or on buildings or other structures approved in
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1 writing by the Architectural Control Committee. No provision
2 hereof shall be deemed to forbid the erection of temporary
3 power or telephone structures incident to the construction of
4 buildings or structures approved in writing by the Board.

5 2.5 Improvements and Alterations; Construction

6 Time. No alterations, repairs, excavation or other work
7 which in any way alters the appearance of any Lot or the
8 Improvements located thereon from its natural or improved
9 state existing on the date such Lot was first conveyed or
10 transferred by Declarant to a Purchaser shall be made or done
11 without the prior written approval of the Board, except as
12 otherwise expressly provided in this Declaration. No
13 building, fence, wall or other structures shall be commenced,
14 erected, maintained improved, altered, made or done without
15 the prior written approval of the Architectural Control
16 Committee. No awnings or other structures shall be attached
17 to any residential dwelling or other structure without the
18 prior written approval of the Architectural Control Committee
19 unless allowed under the Association Rules. The Board shall
20 establish a procedure for the preparation, submission and
21 determination of applications for any such alteration or
22 Improvement. The Board shall have the right to refuse to
23 approve any plans or specifications or grading plans, which,
24 in its opinion, are not suitable or desirable for aesthetic
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1 or other reasons. In passing upon such plans and
2 specifications, it may take into consideration the
3 suitability of the proposed Improvement and of the materials
4 of which it is to be built, the site upon which it is
5 proposed to erect the same, the harmony thereof with the
6 surroundings, the effect of the Improvement as planned on the
7 outlook from the adjacent or neighboring Lot, Common Area and
8 such other matters as it may deem pertinent. All subsequent
9 additions to or changes or alterations in any building,
10 fence, wall or other structure, including exterior color
11 scheme and building materials, shall be subject to the prior
12 approval of the Architectural Control Committee. No changes
13 or deviations in or from such plans and specifications once
14 approved shall be made without prior written approval of the
15 Board. All decisions of the Board shall be final and no Lot
16 Owner or other parties shall have recourse against the Board,
17 the Architectural Control Committee or any of their
18 respective members, for or with respect to any decisions made
19 in good faith.

21 2.6 Maintenance of Lawns and Plantings. The
22 Association shall maintain the lawns and plantings on all
23 Common Areas and, for this purpose, Declarant and the
24 Association shall have the right, at any time, to plant,
25 replace, maintain and cultivate landscaping, shrubs, trees,
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1 grass and plantings on any Common Area and on such easements
2 over an Owner's Lot as may have been granted to the
3 Association, regardless of whether any Owner or the
4 Association is responsible hereunder for maintenance of such
5 areas. No Owner shall remove, alter, injure or interfere in
6 any way with any landscaping, shrubs, trees, grass or
7 plantings placed upon any Common Area by Declarant or the
8 Association without the written consent of the Board having
9 first been obtained. The Association or its authorized
10 agents shall have the right to enter upon any Lot, at any
11 reasonable time, for the purpose of planting, replacing,
12 maintaining or cultivating such landscaping shrubs, trees,
13 grass or plantings in the Common Area, and shall not be
14 liable for trespass for so doing.

15
16 2.7 Maintenance and Repair of Residential
17 Dwellings, Buildings and Landscaping. Each Owner shall at
18 all times keep and maintain its Residential Dwelling, all
19 landscaping and Improvements on its respective Lot in good
20 condition and repair and adequately painted or otherwise
21 finished. If any Residential Dwelling, landscaping or
22 Improvement upon any Lot shall be permitted to fall into
23 disrepair, the Association shall have the right, after 30
24 days' notice to an Owner, to maintain such landscaping and to
25 repair, paint or otherwise maintain the exterior of any
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1 Residential Dwelling or Improvement (and without notice in
2 the event of an emergency) which the Association, acting
3 through its Board, determines in its discretion is in
4 violation of this provision. All costs and expenses so
5 incurred by the Association shall be borne by the Owner, and
6 shall be paid to the Association on demand.

7 2.8 Trash Containers and Collection. No garbage
8 or trash shall be placed or kept on any Lot except in covered
9 containers of a type, size and style which are approved in
10 writing by the Board or authorized by the Association Rules.

11 In no event shall containers be maintained so as to be
12 Visible from Neighboring Property except to make the same
13 available for collection and, then, only the shortest time
14 reasonably necessary to effect such collection. All rubbish,
15 trash or garbage shall be removed from the Lots and shall not
16 be allowed to accumulate thereon. No incinerators shall be
17 kept or maintained on any Lot.

18 2.9 Overhangs. No tree, shrub or planting of any
19 kind on any Lot shall be allowed to overhang or otherwise to
20 encroach upon any Common Area from ground level to a height
21 of 12 feet, without the prior written approval of the Board.

22 2.10 Entry on Lots. During reasonable hours,
23 Declarant, any member of the Board, or any authorized
24 representative of any of them, shall have the right, but not
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1 the obligation, to enter upon and inspect any Lot and the
2 Improvements thereon, except for the interior portions of any
3 Residential Dwelling, for the purpose of ascertaining whether
4 or not the provisions of this Declaration have been or are
5 being complied with, and such persons shall not be deemed
6 guilty or trespass by reason of such entry.

7 2.11 Machinery and Equipment. No machinery or
8 equipment of any kind shall be placed, operated or maintained
9 upon adjacent to any Lot except such machinery or equipment
10 as is usual and customary in connection with the use,
11 maintenance or construction of buildings, Improvements or
12 structures which are within the permitted uses of such Lot.

13 2.12 Restriction on Further Subdivision. No Lot
14 shall be further subdivided or separated into smaller lots or
15 parcels by any Owner, and no portion less than all of any
16 such Lot, nor any easement or other interest therein, shall
17 be conveyed or transferred by any Owner, without the prior
18 written approval of the Board. No Lot may be converted into
19 a condominium, cooperative, timeshare or other similar type
20 of entity without the prior written approval of the Board.
21 No portion of a Lot, but for the entire Lot, together with
22 the Improvements thereon, may be rented or leased, and then
23 only to a Single Family; provided, however, that no Lot may
24 be leased or subleased without prior written notice to the
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1 Board of the names of the lessee and their family members and
2 the term of the lease, and without compliance with such other
3 rules and regulations as may be established by the Board.

4 2.13 Signs. Except as otherwise provided in this
5 Declaration, no signs whatsoever which are Visible From
6 Neighboring Property shall be erected or maintained on any
7 Lot except such signs the nature, number and location of
8 which have been approved in writing by the Board except that
9 such approval shall not be necessary in connection with the
10 display of any signs of reasonable dimensions located on or
11 in such Owner's Lot notifying the public that said Lot is
12 "for rent" or "for sale"; provided, however, that any Owner
13 displaying a "for rent" or "for sale" sign shall, in good
14 faith and using its reasonable best efforts, endeavor to
15 effect the rental or sale of its Lot, as the case may be.
16 The foregoing notwithstanding, no signs notifying the public
17 that a lot or residence is "for rent" or "for sale" shall be
18 displayed within twelve (12) months after the close of escrow
19 wherein a lot is first sold to an Owner by the Declarant.

20 2.14 Utility Easements. There is hereby created a
21 blanket easement upon, across, over and under each Lot for
22 ingress, egress, installation, replacing, repairing and
23 maintaining all utility and service lines and systems,
24 including, but not limited to, water, sewers, gas,
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1 telephones, electricity, television cable or communication
2 lines and systems, etc. By virtue of this easement, it shall
3 be expressly permissible for the providing utility or service
4 company to install and maintain facilities and equipment on
5 the Lots and the Common Area and to affix and maintain wires,
6 circuits and conduits on, in and under the roofs and exterior
7 walls of all Improvements.

8 2.15 Animals. No animals, birds, fowl, poultry or
9 livestock, other than two generally recognized house or yard
10 pets, shall be maintained on any Property covered by this
11 Declaration and then only if they are kept, bred or raised
12 thereon solely as domestic pets and not for commercial
13 purposes. No house or yard pet permitted under this
14 paragraph shall be allowed to make an unreasonable amount of
15 noise, or to become a nuisance. No structure for the care,
16 housing or confinement of any house or yard pet permitted
17 under this paragraph shall be maintained so as to be Visible
18 From Neighboring Property. Upon the written request of any
19 Owner, the Board shall conclusively determine, in its sole
20 and absolute discretion, whether, for the purposes of this
21 paragraph, a particular animal, bird, fowl, poultry or
22 livestock is a generally recognized house or yard pet,
23 constitutes a nuisance, or whether the number of animals or
24 birds on any such Lot is reasonable. Any decision rendered
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1 by the Board shall be enforceable as other restrictions
2 contained herein. All pets must be kept on a leash and be
3 accompanied by their Owner when not on the Lot where they
4 reside.

5 2.16 Nuisances. No rubbish or debris of any kind
6 shall be placed or permitted to accumulate upon or adjacent
7 to any Property and odors shall be permitted to arise
8 therefrom so as to render any such Property or any portion
9 thereof unsanitary, unsightly, offensive or detrimental to
10 any other Lot in the vicinity thereof or to its occupants.
11 No nuisance shall be permitted to exist or to operate upon
12 any such Lot so as to be offensive or detrimental to any
13 other Lot in the vicinity thereof or to its occupants.
14 Without limiting the generality of any of the foregoing
15 provisions, no exterior speakers, horns, whistles, bells or
16 other sound devices, except security devices used exclusively
17 for security purposes, shall be located, used or placed on
18 any Lot. The Board in its sole discretion shall have the
19 right to determine the existence of any such nuisance. No
20 motorcycles or motor driven vehicles not legal for operation
21 on public roadways shall be operated within the Property;
22 provided, however, the Association Rules may include
23 reasonable regulations regarding the use and operation of
24 motorcycles and motor driven vehicle not legal for operation
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1 on public roadways consistent with the objective of
2 minimizing noise and other adverse impacts on the Property.

3 2.17 Clothes Washing Drying Facilities. Outside
4 clotheslines or other outside facilities for drying or air
5 drying clothes shall not be erected, placed or maintained on
6 any Property. No washing machines or dryers shall be kept or
7 maintained on any Lot except within a Residential Dwelling
8 without the prior written approval of the Board.

9 2.18 Mineral Exploration. No portion of the
10 Property shall be used in any manner to explore for or to
11 remove any water, oil or other hydrocarbons, minerals of any
12 kind, gravel, earth or any earth substance of any kind.

13 2.19 Diseases and Insects. No Owner shall permit
14 any thing or condition to exist upon any Property which shall
15 induce, breed or harbor infectious plant diseases or noxious
16 insects.

17 2.20 Drainage Easement. There is hereby created a
18 blanket easement for drainage of groundwater on, over and
19 across the Property. No Owner shall obstruct, divert, alter
20 or interfere in any way with the drainage of groundwater
21 upon, across or over any portion of the Property.

22 2.21 Water Usage. Each Owner shall comply with
23 the reasonable regulations contained in the Association Rules
24 respecting water usage and water conservation.
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1 2.22 Other Uses, Activities and Facilities. The
2 Association Rules may contain restrictions, limitations,
3 rules and regulations governing any additional uses,
4 activities, Improvements or facilities on a Lot or within the
5 Project that are (i) Visible From Neighboring Property, (ii)
6 visible from any Common Area or street, or (iii) that are
7 deemed by the Association to be a nuisance or to adversely
8 affect the health, safety or welfare of Owners, Lessees and
9 Residents. The following are some, but not all of the uses,
10 activities, Improvements or facilities that may be governed
11 by the Association Rules: construction and maintenance
12 activity; flags and flagpoles; basketball, tetherball and
13 volleyball standards; motor vehicles; parking; trucks,
14 trailers, campers and boats; towing of vehicles; garages and
15 driveways; rooftop air conditioners; solar energy devices;
16 sport courts; lighting; use of Common Area; amplifiers;
17 window treatments; garage sales; and noise. The foregoing
18 list is not intended to be exhaustive. The Association Rules
19 are intended to be responsive to changing needs of the
20 Project and the desires of the Association's Members.

22 2.23 Variances. The Board may, at its option and
23 in extenuating circumstances, grant variances from the
24 restrictions, limitations, rules and regulations set forth in
25 this Article IV, the Association Rules or the Architectural
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1 Rules if the Board determines in its discretion that (i) a
2 restriction, limitation, rule or regulation would create an
3 unreasonable hardship or burden on an Owner or Lessee and
4 (ii) that the activity permitted under the variance will not
5 have any substantial adverse effect on the other Owners or
6 Lessees or the Project and is consistent with the high
7 quality of life intended for residents of the Project.

8 Section 3 Use Restrictions, Common Area.

9 3.1 Permitted Uses:

10 (a) Parking in designated parking spaces and
11 parking areas by any Owner, his guests and invitees for
12 purposes connected with or incidental to any use of such
13 Owner's Lot.
14

15 (b) Access for vehicles and pedestrians
16 between public streets and any parking areas situated within
17 the Common Area and any Owner's Lot, for purposes connected
18 with or coincidental to any use of such Owner's Lot.

19 (c) Access for pedestrians on any sidewalks
20 or walkways for the purposes connected with or incidental to
21 any use of any Owner's Lot.

22 (d) Access for persons engaged in maintaining
23 any portion of the Common Area or any Owner's Lot.
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1 (e) Such other uses as may be adopted from
2 time to time by the Board and set forth in the Association
3 Rules.

4 (f) In general, the Common Area shall be used
5 for the benefit of the Owners, for the furnishing of services
6 and facilities for which the same are reasonably intended and
7 for the enjoyment to be derived from such reasonable and
8 proper use, without hindering the exercise or encroaching
9 upon the right of any other Owner to utilize the Common Area.

10 3.2 Restricted Uses:

11 (a) With the exception of the storage
12 supplies, materials or equipment necessary for the discharge
13 of Declarant's duties under this Declaration, the Common Area
14 shall not be used by Owners for storage of supplies,
15 materials or personal property of any kind.

16 (b) The Common Area shall be subject to such
17 other restrictions as may be adopted by the Board and set
18 forth in the Association Rules.

19 (c) In general, no activity shall be carried
20 on nor condition maintained by any Owner upon the Common Area
21 which detracts from the appearance of the Property or hinders
22 or encroaches upon the right of any other Owner to utilize
23 the Common Area as reasonably intended.
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1 Section 4 Maintenance of Common Area by

2 Association. The Association may at any time, as to any
3 Common Area, conveyed, leased or transferred to it, or
4 otherwise placed under its jurisdiction, in the discretion of
5 the Board, without any approval of the Owners being required:

6 (a) Reconstruct, repair, replace or refinish
7 any Improvement or portion thereof upon any such area (to the
8 extent that such work is not done by a governmental entity,
9 if any, responsible for the maintenance and upkeep of such
10 area) in accordance with (1) the last plans thereof approved
11 by the Board, (2) the original plans for the improvement of
12 (3) if neither of the foregoing is applicable and if such
13 Improvement was previously in existence, then in accordance
14 with the original design, finish or standard of construction
15 of such Improvement as same as existed.

16 (b) Construct, reconstruct, repair, replace
17 or refinish any road Improvement or surface upon any portion
18 of such area used as a road, street, walk and parking area.

19 (c) Replace injured and diseased trees or
20 other vegetation in any such area, and plant tress, shrubs,
21 and ground cover to the extent that the Board deems necessary
22 for the conservation of water and soil and for aesthetic
23 purposes.
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1 (d) Place and maintain upon any such area
2 such signs, markers and lights as the Board may deem
3 appropriate for the proper identification, use and regulation
4 thereof.

5 (e) Remove all papers, debris, filth and
6 refuse from the Common Area and wash or sweep paved areas as
7 required; clean and relamp lighting fixtures as needed.

8 (f) Repaint striping, markers, directional
9 signs, etc., as necessary.

10 (g) Pay all real estate taxes and assessments
11 on the Common Area.

12 (h) Pay all electrical, water, gas and other
13 utility charges or fees for services furnished to the Common
14 Area.

15 (i) Pay for and keep in force at the
16 Association's expense public liability insurance with
17 companies acceptable to the Association in amounts with
18 limits of liability desired by the Owners or required of the
19 Owners pursuant to any other recorded document affecting the
20 Property, such insurance to name the Association or the
21 Owners or both as named insureds.

22 (j) Do all such other and further acts which
23 the Board deems necessary to preserve and protect the Common
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1 Area and the beauty thereof, in accordance with general
2 purposes specified in this Declaration.

3 (k) The Board shall be the sole judge as to
4 the appropriate maintenance of all grounds within the Common
5 Area.

6 (l) Pay for the construction or installation
7 of lights and other utility services in the Common Area.

8 (m) Nothing herein shall be construed so as
9 to preclude the Association from delegating its power set
10 forth above to a manager or agent or to other person, firms
11 or corporations.

12 Section 5 Damage or Destruction of Common Area by
13 Owners. In the event any Common Area is damaged or destroyed
14 by an Owner or any of his guests, tenants, licensees or
15 agents, such Owner does hereby authorize the Association to
16 repair said damaged area and the Association shall so repair
17 damaged area in a good and workman like manner in conformance
18 with the original plans and specifications of the area
19 involved, or as the area may have been modified or altered
20 subsequently by the Association, in the discretion of the
21 Association. The amount necessary for such repairs shall be
22 paid by said Owner, upon demand, to the Association.
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1 Section 2 Easements over the Common Area. The
2 Board may grant permits, licenses and easements over, upon,
3 under and across the Common Area for utilities, roads and
4 other purposes which are reasonably necessary to the ongoing
5 development and operation of the Property. Each Owner hereby
6 grants to each director of the Association an irrevocable
7 power of attorney to execute a deed(s) or other instrument(s)
8 to grant said permits, licenses and easements.

9 Section 3 Encroachments. In the event any portion
10 of the Common Area encroaches upon any Lot or any Improvement
11 on a Lot encroaches upon the Common Area or another Lot as a
12 result of the construction, reconstruction, repair, shifting,
13 settlement or movement of any portion of the Improvements or
14 the drainage of rainwater from the roof of any Improvement on
15 a Lot, a valid easement for the encroachment and for the
16 maintenance of the same shall exist, and the rights and
17 obligations of Owners shall not be altered in any way by said
18 encroachments; provided, however, that in no event shall an
19 easement for encroachment be created in favor of an Owner if
20 said encroachment occurred due to the willful misconduct of
21 any Owner. In the event any portion of a structure on the
22 Property is partially or totally destroyed and then repaired
23 or rebuilt, each Owner agrees that easements for
24 encroachments over adjoining Lots or Common Area and for the
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1 maintenance of said encroachments shall exist for as long as
2 said encroachment shall exist. A nonexclusive easement for
3 ingress, egress and support throughout the Common Area is and
4 shall be appurtenant to each Lot, and the Common Area is and
5 shall be subject to such easement.

6 Section 4 Ownership of Maintenance and
7 Recreational Equipment. The Association shall be and become
8 the Owner of all maintenance, recreational and other
9 equipment acquired by it (a) for the maintenance and
10 improvement of the Property and (b) to implement the
11 performance of its other duties hereunder. The transfer of
12 such personal property by the Association pursuant to the
13 Bylaws shall transfer title thereto free and clear of any
14 claim on the part of any Owner.
15

16 ARTICLE VI

17 ARCHITECTURAL CONTROL COMMITTEE

18 Section 1 Architectural Control Committee. No
19 building, fence, wall or other structure shall be
20 constructed, erected, placed or altered upon any Lot, nor
21 shall any trees, bushes, shrubs or plants which are in excess
22 of six feet in height, or any likely to grow to a height in
23 excess of six feet, be planted or placed on any Lot, until
24 the building or alteration plans, landscaping plans,
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1 specifications, location plat and color scheme thereof have
2 been approved by the Architectural Control Committee
3 appointed by the Board or Declarant in accordance with the
4 Bylaws. Notwithstanding anything to the contrary in this
5 Declaration or the Bylaws, Declarant hereby reserves to
6 itself the power to appoint a majority of the members of the
7 Architectural Control Committee until 90 percent of the Lots
8 have been sold by Declarant. In considering any such plans,
9 the Architectural Control Committee shall take into account
10 (a) the quality of workmanship and materials to be used, (b)
11 harmony of external design with existing structures in the
12 property, (c) the interference, or potential for interference
13 with the view from any Lot and (d) compliance with this
14 Declaration. In the event the Architectural Control
15 Committee fails to approve or disapprove any such plans,
16 specifications, plats or schemes within 30 days after all
17 necessary documents have been received by the Architectural
18 Control Committee, the Owner requesting said approval may
19 submit a written notice to the architectural control
20 committee advising the same of its failure to act; only if
21 the Architectural Control Committee fails to approve or
22 disapprove any such plans, specification, plats or schemes
23 within 30 days after receipt of said notice from the Owner,
24 said plans, specifications, plats or schemes shall be
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1 Association which exceeds 10 percent of the regular
2 Assessment for the immediately preceding fiscal year may be
3 made without the vote or written ballot of the Owners
4 entitled to exercise a majority of the total voting power,
5 provided that such vote or written ballot shall include the
6 votes of a majority of the Owners other than Declarant. Each
7 Owner, except Declarant, shall be assessed separately for a
8 share of such anticipated Common Expenses, which share shall
9 be levied against each Owner according to the ratio of the
10 number of Lots owned by the Owner assessed to the total
11 number of Lots subject to Assessment. While Declarant is not
12 liable for Assessments, whether Annual or Special, on a per
13 Lot owned basis, Declarant is obligated to provide support to
14 the Association, whether by virtue of money, manpower,
15 equipment or materials supplied, to the extent (but in no
16 event an amount to exceed the per Lot owned Assessment
17 amount) reasonably necessary to properly maintain the Common
18 Area until such time as the Assessment revenue from the
19 Owners, other than Declarant, is sufficient to meet the needs
20 of the Association.

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22 1.2 Separate written notices of the making of such
23 Annual Assessment (including in such notice the amount
24 thereof and the frequency of payment) shall be deposited into
25 the United States mail, postage prepaid, directed to the
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1 attention of each Owner, bearing the address such Owner shall
2 have directed the Association to deliver such notice, at
3 least 30 days prior to the beginning of a fiscal year.

4 Section 2 Special Assessments. The Board may also
5 levy and collect Special Assessment(s) for capital
6 improvements or other purposes in the same manner as Annual
7 Assessments are levied and collected as described in Section
8 1. The amount of any such Special Assessment, together with
9 any late payment penalty incurred pursuant to this article,
10 costs and reasonable attorneys' fees in the event enforcement
11 is commenced, shall be and become a lien upon any Lot in the
12 same manner as Annual Assessments become a lien. Provided,
13 however, no such Special Assessment exceeding, in the
14 aggregate, 5 percent of the budgeted gross expenses of the
15 Association for the then current fiscal year of the
16 Association may be levied without the vote or written ballot
17 of the owners entitled to exercise a majority of the total
18 voting power, provided that such vote or written ballot shall
19 include the votes of a majority of the Owners other than
20 Declarant. The provisions of the preceding sentence shall
21 not apply to Special Assessment(s) for repair, or the like,
22 described in the Article entitled "Destruction; Insurance".
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1 Section 3 Nonpayment of Assessments. If the
2 Association does not receive an Owner's payment of the entire
3 amount of the Annual or Special Assessment imposed upon the
4 Owner's Lot pursuant to this Article within 15 days after the
5 due date thereof, a late payment penalty by way of liquidated
6 damages shall be immediately due from such Owner. Each of
7 the Owners recognizes and acknowledges that the late payment
8 of an Assessment will cause the Association to incur
9 additional costs and expenses in connection with its
10 management, control, maintenance, architectural control and
11 preservation of the Property and that it is extremely
12 difficult and impractical to ascertain the extent of such
13 damages. Accordingly, each Owner shall pay to the
14 Association a late payment penalty in an amount to be
15 determined by the Board.

17 3.1 No late payment penalty may be imposed more
18 than once for delinquency of the same payment; however, the
19 imposition of a later payment penalty on any delinquent
20 payment shall not eliminate nor supersede late payment
21 penalties imposed on prior delinquent payments. Any
22 Assessment, if not paid more than fifteen (15) days after its
23 due date, shall be deemed delinquent and a late payment
24 penalty (as described in Section 3) shall be due from the
25 first day following the due date of the Assessment. The late
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1 payment penalty represents a fair and reasonable estimate of,
2 and constitutes liquidated damages for, the costs and
3 expenses (other than attorneys' fees, court costs and other
4 costs incurred by the Association in connection with the
5 foreclosure of the lien on the Lot(s) for the delinquent
6 Annual or Special Assessments) which the Association will
7 incur by reason of the late payment. Acceptance of any late
8 payment penalty by the Association shall neither constitute a
9 waiver of such Owner's default with respect to the late
10 payment, nor prevent the Association from exercising any of
11 its other rights and remedies hereunder or at law.
12

13 3.2 In addition to the late payment penalty
14 described above, each Owner shall pay to the Association
15 interest on all delinquent Assessments at an annual
16 percentage rate of 12 percent from the date the delinquent
17 Assessment was due and the amount of reasonable attorneys
18 fees, court costs and other costs incurred by the Association
19 in connection with the foreclosure of the lien on the Lot(s)
20 for the delinquent Annual or Special Assessments. The Board
21 may, from time to time, to the extent permitted by law,
22 increase the amount of the late payment penalty. The Board
23 shall advise the Owners in writing of any increase in the
24 late payment penalty not less than 30 days prior to the
25 effective date of any such increase.
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1 Section 4 Creation of the Lien and Personal

2 Obligation. Each Owner (including Declarant) of any Lot, by
3 acceptance of a deed or other conveyance creating in such
4 Owner the interest required to be deemed an Owner, whether or
5 not it shall be so expressed in any such deed or other
6 conveyance, is deemed to covenant and agree to pay to the
7 Association: Annual Assessments and Special Assessments,
8 such Assessments and other fees to be fixed, established and
9 collected from time to time as provided in this Declaration.
10 Such Assessments and fees, together with interest thereon,
11 late charges, attorneys' fees and court costs, and other
12 costs of collection thereof, as hereinafter provided, shall
13 be a continuing lien upon the Lot against which each such
14 Assessment is made. Each such Assessment, together with such
15 interest, late charges, costs and attorneys' fees, shall also
16 be the personal obligation of the Owner of such Lot at the
17 time when the Assessment becomes due.

18 On any Assessment not paid within thirty (30) days
19 after the due date, the Association may bring an action at
20 law against the Owner personally obligated to pay the same,
21 or foreclose the lien against the Lot.

22 Section 5 Payment of Assessments. Until such time
23 as the Board shall change the same pursuant to Section 1,
24 such Assessments shall be due and payable monthly on the
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1 first day of each calendar month, commencing, as to all Lots,
2 on the first day of the calendar month next following the
3 first conveyance by Declarant of a Lot.

4 Section 6 Common Area Taxes. Anything in Section
5 1 to the contrary notwithstanding, if any tax is assessed to
6 Declarant or to the Association upon the Common Area, a share
7 thereof shall be included in the Assessment upon each Owner
8 which share shall be the portion which bears to the total tax
9 assessed the same relationship as the number of Lots owned by
10 such Owner bears to the total number of Lots in the
11 Association.

12 Section 7 Subordination of Assessment Liens. The
13 lien of the Assessments provided for herein shall be
14 subordinate to the lien of any first Mortgage given for
15 value. Sale or transfer of any Lot shall not affect the
16 Assessment lien. However, the sale or transfer of any Lot
17 pursuant to judicial or non-judicial foreclosure of a first
18 Mortgage shall extinguish the lien of such Assessments as to
19 payments which became due prior to such sale or transfer. No
20 sale or transfer shall relieve such Lot from lien rights for
21 any Assessments thereafter becoming due. Where the Mortgage
22 of a first Mortgage of record, or other purchaser of a Lot,
23 obtains title to the same as a result of foreclosure, such
24 acquirer of title, its successors and assigns, shall not be
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1 liable for the share of the Common Expenses or Assessments by
2 the Board chargeable to such Lot which become due prior to
3 the acquisition of title to such Lot by such acquirer. Such
4 unpaid share of Common Expenses or Assessments shall be
5 deemed to be a Common Expense collectible from the Owners of
6 all of the Lots, excluding such acquirer, its successors and
7 assigns. Nothing herein shall relieve the non paying Owner
8 from the obligation to pay all Assessments which had accrued
9 prior to foreclosure.

10 Section 8 Estoppel Certificates. The Board shall
11 furnish, or cause an appropriate officer of the Association
12 to furnish, upon demand by any person, a certificate signed
13 by an officer of the Association setting forth whether the
14 Assessments on a specified Lot have been paid. A properly
15 executed certificate of the Association as to the status of
16 Assessments on a Lot is binding upon the Association as of
17 the date of its issuance.

18 Section 9 Waiver of Assessment Liability. No
19 Owner may be exempt from personal liability for Assessment
20 levied by the Board, nor release the Lot owned by it from the
21 liens and charges hereof by waiver of the use or enjoyment of
22 any of the Common Area or by abandonment of its Lot.
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ARTICLE VIII

DESTRUCTION; INSURANCE

Section 1 Insurance Requirements. The Board shall keep insured against loss by perils under a multi-peril policy(ies) of hazard insurance (a) all buildings, if any, and other insurable improvements in the Common Area and (b) all fixtures, building service equipment, common personal property and supplies owned by the Association, under one master extended coverage hazard policy(ies) for the benefit of all Owners. The amount of coverage of such insurance shall be not less than 100 percent of the insurable value (based on then current replacement cost) of said buildings and Improvements and fair market value of personal property determined annually by an insurance carrier selected by the Board. The name of the insured under each policy of such insurance shall be substantially "PATRIOT ESTATES PROPERTY OWNER'S ASSOCIATION", for use and benefit of individual followed, if desired, by either the Association or the insurance carrier(s), by the designation of the Owners. Authority to adjust losses covered by the Association's policy(ies) shall be vested in the Board, and the Board is hereby irrevocably appointed as the attorney-in-fact for every Owner for this purpose. Insurance proceeds shall be payable directly to the Association for the use and benefit

1 of the Owners and the Mortgages, as their interests may
2 appear. The premiums for such policy shall be paid as a
3 Common Expense by the Association.

4 Section 2 Repair and Reconstruction. In the event
5 of any loss, damage or destruction so insured against, the
6 Board shall cause the same to be replaced, repaired or
7 rebuilt. In the event the cost of such replacement, repair
8 or rebuilding exceeds the hazard insurance proceeds received
9 therefore, the Board shall levy and collect a Special
10 Assessment in an equal amount from each Owner in the
11 Property. In any event, all such hazard insurance proceeds
12 received for such loss, damage or destruction shall be used
13 for such replacement, repair or rebuilding.

14 Section 3 Insurance of Lot Improvements. Each
15 Owner shall keep all buildings and other insurable
16 improvements on such Owner's Lot insured for the benefit of
17 such Owner.

18 Section 4 Liability Insurance. The Board shall
19 procure and keep in force during the term hereof insurance in
20 the name of the Association and the Owners against any
21 liability to the public (including the Owners) resulting from
22 any occurrence in or about the Common Area with coverage in
23 the amount of at least \$1,000,000 per occurrence, for
24 personal injury and/or property damage. Such insurance shall
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1 also provide coverage for any legal liability that results
2 from lawsuits related to employment contracts in which the
3 Association is a party. Premiums on such policy shall be
4 paid as a Common Expense by the Association. The policy(ies)
5 of such insurance shall contain a waiver of subrogation by
6 the issuer(s) against (a) the Association, (b) each of the
7 directors serving from time to time on the Board, and (c) the
8 Owners.

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11 ARTICLE IX

12 ACCOUNTING; RIGHT OF INSPECTION

13 Section 1 Maintenance of Books and Records. The
14 Board shall maintain books of account of all its receipts and
15 expenditures and shall cause such books to be made available
16 thereon to the Association. The Board shall deliver a copy
17 of such report to the Owner of each Lot within 120 days after
18 the end of such year. Each Owner (or its duly appointed
19 representative) shall be entitled at reasonable times to
20 inspect the books and records of the Association, to have
21 such books and records examined at said Owner's expense by an
22 attorney or accountant representing such Owner and to make
23 excerpts or copies of such books and records or portions
24 thereof, and each such Owner (or its duly appointed
25 representative), at his own expense, shall have the right,
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1 Section 2 Method of Termination. This Declaration
2 shall continue in full force and effect unless terminated by
3 the affirmative vote or written consent, or any combination
4 thereof, of the Owners representing ninety percent (90%) or
5 more of the votes in the Association. If the necessary votes
6 and consents are obtained, the Board shall cause to be
7 recorded with the County Recorder of Mohave County, Arizona,
8 a Certificate of Termination, duly signed by the President or
9 Vice President and attested by the Secretary or Assistant
10 Secretary of the Association, with their signatures
11 acknowledged. Thereupon this Declaration shall have no
12 further force and effect, and the Association shall be
13 dissolved pursuant to the terms set forth in its Articles.

14 Section 3 Amendments. Subject to the other
15 provisions of this Declaration, this Declaration may be
16 amended as follows:

17 (a) Until such time as Declarant no longer
18 owns at least (10%) ten percent of the Lots, amendments or
19 modifications shall be effective when executed by Declarant
20 and when recorded in the official records of Mohave County,
21 Arizona. Thereafter, this Declaration may be amended at any
22 time by the written approval or Affirmative vote of not less
23 than 75% of the Members.
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1 (b) An amendment or modification that
2 requires the affirmative vote or written approval of the
3 Members as hereinabove provided shall be effective when
4 executed by the President and Secretary of the Association
5 who shall certify that the amendment or modification has been
6 approved as hereinabove provided, and when recorded in the
7 official records of Mohave County, Arizona.

8 Section 4 Interpretation. Except for judicial
9 construction, the Association shall have the exclusive right
10 to construe and interpret the provisions of this Declaration.
11 In the absence of any adjudication to the contrary by a court
12 of competent jurisdiction, the Association's construction or
13 interpretation of the provisions hereof shall be final,
14 conclusive and binding as to all persons and property
15 benefited or bound by this Declaration. In the event of any
16 conflict between this Declaration and the Articles, Bylaws,
17 Association Rules or Architectural Committee Rules, this
18 Declaration shall control. In the event of any conflict
19 between the Articles and Bylaws, the Articles shall control.
20 In the event of any conflict between the Bylaws and the
21 Association Rules or the Architectural Committee Rules, the
22 Bylaws shall control.
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1 Section 5 Enforcement. The Association, or any
2 Owner, shall have the right to enforce, by proceedings at law
3 or in equity, all restrictions, conditions, covenants and
4 reservations, now or hereafter imposed by the provisions of
5 this Declaration or any amendment thereto, including the
6 right to prevent the violation of any such restrictions,
7 conditions, covenants, or reservations and the right to
8 recover damages or other dues for such violation. The
9 Association or any Owner shall also have the right to
10 enforce, by proceedings at law or in equity, the provisions
11 of the Articles or Bylaws and any amendments thereto. With
12 respect to the Architectural Control Committee rules and
13 decisions, Assessment liens or any other liens or charges and
14 Association Rules, the Association shall have the exclusive
15 right to the enforcement thereof.

17 Section 6 No Waiver. Failure by the Association
18 or by any member to enforce any covenant, condition, or
19 restriction herein contained, or the Articles, Bylaws,
20 Association Rules or Architectural Rules in any certain
21 instance or on any particular occasion shall not be deemed a
22 waiver of such right on any such future breach of the same or
23 any other covenant, condition or restriction.

1 Section 7 Cumulative Remedies. All rights,
2 options and remedies of Declarant, the Association, the
3 Owners or Mortgagees under this Declaration are cumulative,
4 and not one of them shall be exclusive of any other, and
5 Declarant, the Association, the Owners and the Mortgagees
6 shall have the right to pursue any one or all of such rights,
7 options and remedies or any other remedy or relief which may
8 be provided by law, whether or not stated in this
9 Declaration.

10 Section 8 Severability. Invalidation of any one
11 or a portion of these covenants, conditions or restrictions
12 by judgment or court order shall in no way affect any other
13 provisions which shall remain in full force and effect.
14

15 Section 9 Binding Effect. By acceptance of a deed
16 or by acquiring any ownership interest in any of the property
17 subject to this Declaration, each Person, for himself or
18 himself, his heirs, personal representatives, successors,
19 transferees and assigns, to all of the provisions,
20 restrictions, covenants, conditions, rules and regulations
21 now or hereafter imposed by this Declaration and any
22 amendments thereof. In addition, each such person by so
23 doing thereby acknowledges that this Declaration sets forth a
24 general scheme for the improvement and development of the
25 Project and hereby evidences his interest that all the
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1 restrictions, conditions, covenants, rules and regulations
2 contained in this Declaration shall run with the land and be
3 binding on all subsequent and future Owners, grantees,
4 purchasers, assignees, lessees and transferees thereof.
5 Furthermore, each such person fully understands and
6 acknowledges that this Declaration shall be mutually
7 beneficial, prohibitive and enforceable by the various
8 subsequent and future Owners. Declarant, its successors,
9 assigns and grantees, covenants and agrees that the estates
10 and the other rights created by this Declaration shall not be
11 separated or separately conveyed, and each shall be deemed to
12 be conveyed or encumbered with its respective estate even
13 though the description in the instrument of conveyance or
14 encumbrance may refer only to the estate.
15

16 Section 10 Joint and Several Liability. In the
17 case of joint ownership of a Residence, the liabilities and
18 obligations of each of the joint Owners set forth in or
19 imposed by this Declaration shall be joint and several.

20 Section 11 Survival of Liability. The termination
21 of membership in the Association shall not relieve or release
22 any such former Member from any liability or obligation
23 incurred under or in any way connected with the Association
24 during the period of such membership, or impair any rights or
25 remedies which the Association may have against such former
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1 Member arising out of, or in any way connected with such
2 membership and the covenants and obligations incident
3 thereto.

4 Section 12 Attorneys' Fees. In the event the
5 Association employs an attorney to enforce any lien granted
6 to it under the terms of this Declaration or to collect any
7 Assessments or other amounts due from an Owner or to enforce
8 compliance with or recover damages for any violation or
9 noncompliance with this Declaration, the Articles, Bylaws,
10 Association Rules and/or Architectural Rules, the prevailing
11 party in any such action shall be entitled to recover from
12 the other party its reasonable attorneys' fees incurred in
13 any such action.
14

15 Section 13 Violations and Nuisance. Every act or
16 omission whereby any provision of the Declaration is violated
17 in whole or in part is hereby declared to be a nuisance and
18 may be enjoined or abated, whether or not the relief sought
19 is for negative or affirmative actions, by Declarant, the
20 Association or any Owner.

21 Section 14 Rule Against Perpetuities. If any
22 interest purported to be created by this Declaration is
23 challenged under the Rule against Perpetuities or any related
24 rule, the interest shall be construed as becoming void and of
25 no effect as of the end of the applicable period of
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1 perpetuities computed from the date when the period of
2 perpetuities starts to run on the challenged interest; the
3 "lives in being" for computing the period of perpetuities
4 shall be (i) those which would be used in determining the
5 validity of the challenged interest, plus (ii) those of the
6 issue of the Board who are living at the time the period of
7 perpetuities starts to run on the challenged interest.

8 Section 15 Change of Circumstances. Except as
9 otherwise expressly provided in this Declaration, no change
10 of conditions or circumstances shall operate to extinguish,
11 terminate or modify any of the provisions of this
12 Declaration.

13 Section 16 Law, Ordinances and Regulations. The
14 covenants, conditions and restrictions set forth in this
15 Declaration and the provisions requiring Owners and other
16 persons to obtain the approval of the Board or the
17 Architectural Committee with respect to certain actions are
18 independent of the obligation of the Owners and other persons
19 to comply with all applicable laws, ordinances and
20 regulations, and compliance with this Declaration shall not
21 relieve an Owner or any other person from the obligation to
22 also comply with all applicable laws, ordinances and
23 regulations.
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1 Any violation of any state, municipal, or local
2 law, ordinance or regulation pertaining to the ownership,
3 occupation or use of any property within the Property is
4 hereby declared to be a violation of this Declaration and
5 subject to any or all of the enforcement procedures set forth
6 herein.

7 Section 17 References to this Declaration in
8 Deeds. Deeds to and instruments affecting any Lot or any
9 part of the Project may contain the covenants, conditions and
10 restrictions herein set forth by reference to this
11 Declaration; but regardless of whether any such reference is
12 made in any Deed or instrument, each and all of the
13 provisions of this Declaration shall be binding upon the
14 grantee-Owner or other person claiming through any instrument
15 and his heirs, executors, successors and assignees.

16 Section 18 Notices. If notice of any action or
17 proposed action by the Board or any committee or of any
18 meeting is required by applicable law, this Declaration or
19 resolution of the Board to be given to any Owner, Lessee or
20 Resident then, unless otherwise specified herein or in the
21 resolution of the Board, such notice requirement shall be
22 deemed satisfied if notice of such action or meeting is
23 published once in any newspaper in general circulation within
24 Mohave County. This section shall not be construed to
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1 require that any notice be given if not otherwise required
2 and shall not prohibit satisfaction of any notice requirement
3 in any other manner.

4 Section 19 Condemnation of Common Area. If all or
5 any part of the Common Area is taken or condemned, or
6 conveyed by the Association in lieu of or under threat of
7 such condemnation with the written consent or affirmative
8 vote of Owners representing at least eighty percent (80%) of
9 the votes in the Association, by or to any authority having
10 the power of condemnation or eminent domain, the award or
11 other compensation paid as a result of such taking or
12 conveyance shall be paid to the Association. If the taking
13 involves a portion of the Common Area upon which Improvements
14 have been constructed, then the Association shall construct
15 replacement Improvements on the remaining Common Area to the
16 extent land is available for such construction, unless within
17 sixty (60) days after such taking the Owners having at least
18 eighty percent (80%) of the votes in the Association, by
19 written consent or affirmative vote, or any combination
20 thereof, instruct the Board not to build replacement
21 Improvements. If such replacement Improvements are to be
22 constructed, then the Association shall be entitled to use
23 the award or other compensation made for such taking solely
24 for the purpose of such construction. If the taking does not
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1 involve any Improvements on the Common Area or if the Owners
2 representing more than eighty percent (80%) of the votes in
3 the Association decide not to construct any replacement
4 Improvements or if there are any net funds remaining after
5 such construction is completed, then such awarded net funds
6 may either be disbursed by the Association to the Owners with
7 an equal share being disbursed to each Lot or retain such
8 funds as additional operating or capital reserves.

9 Section 20 Notification of Sale and Transfer Fee.

10 Concurrently with the consummation of the sale or other
11 transfer of any Lot, or within Fourteen (14) days after the
12 date of such transfer, and transferee and shall notify the
13 Association in writing of such transfer and shall accompany
14 such written notice with a non-refundable transfer fee to
15 cover Association documentation and processing. The transfer
16 fee shall be in the amount to be established by the Board,
17 but shall in no event exceed twice the then current regular
18 monthly Assessment. The written notice shall set forth the
19 name of the transferee and his transferor, the street address
20 of the Lot purchased or acquired by the transferee, the
21 transferee's mailing address, the date and sale or transfer,
22 and the name and address of the transferee's Lender, if any.
23 Prior to the receipt of such written notice, all notices
24 required or permitted to be given by the Association to the
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1 Owner shall be deemed to be duly made or given to the
2 transferee's predecessor in interest. The transfer fee shall
3 be the personal obligation of the new Owner and shall be
4 secured by the lien. Notwithstanding the other provisions
5 hereof, this Section shall not apply to a Lender who becomes
6 an Owner by a foreclosure proceeding or any deed of
7 assignment in lieu of foreclosure.

8 Section 21 Leases. Any agreement for the leasing
9 or rental of a Residential Dwelling (hereinafter in this
10 Section referred to as a "lease") shall provide that the
11 terms of such lease shall be subject in all respects to the
12 provisions of this Declaration, the Articles, the Bylaws, the
13 Association Rules, the Architectural Rules and any applicable
14 agreements between the Association and any federal agency.
15 Said lease shall further provide that any failure by the
16 tenant thereunder to comply with the terms of the foregoing
17 documents shall be a default under the lease. All leases
18 shall be in writing. Any Owner who shall lease his Lot shall
19 be responsible for assuring compliance by such Owner's tenant
20 with this Declaration, the Articles, the Bylaws, the
21 Association Rules and the Architectural Rules, and shall be
22 jointly and severally responsible for any violations thereof
23 by his tenant.
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1 Section 22 Construction by Declarant. Nothing in
2 this Declaration shall limit the right of Declarant to alter
3 the Common Area or the Lots, or to construct such additional
4 improvements as Declarant deems advisable prior to completion
5 of improvements upon and sale of the entire Project. Such
6 right shall include but shall not be limited to erecting,
7 constructing and maintaining on the Real Property such
8 structures and displays as may be reasonably necessary for
9 the conduct of the business of completing the work and
10 disposing of the same by sale, lease or otherwise. This
11 Declaration shall not limit the right of a Declarant at any
12 time prior to acquisition of title by a Purchaser to
13 establish on the Real Property additional licenses,
14 reservations and rights-of-way to itself, to utility
15 companies, or to others as may from time to time be
16 reasonably necessary to the proper development and disposal
17 of the Project. Declarant reserves the right to alter its
18 construction plans and designs as it deems appropriate.
19 Declarant shall exercise its rights contained in this
20 provision in such a way as not to unreasonably interfere with
21 the Members' rights to use and enjoy the Common Area.

22
23 Section 23 Assignment by Declarant. The rights of
24 Declarant hereunder may be assigned and/or transferred to any
25 successor or successors to all or part of Declarant's
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1 interest in the Project by an express assignment incorporated
2 in a recorded deed, lease or other instrument transferring
3 such interest to such successor.

4 Section 24 Sales Program. Declarant shall have
5 the absolute right to conduct a sales program within the
6 Property, including maintaining a sales office and a
7 construction office, displaying signs, flags and other sales
8 material throughout the Property and otherwise conduct a
9 sales program until the sale and conveyance by Declarant of
10 the last Lot in the Property, whichever shall first occur.
11 This Section shall not be amended, modified or rescinded
12 prior to the conveyance by Declarant of the last Lot without
13 the (a) prior written consent of Declarant, and (b) recording
14 of said written consent in the Office of the County Recorder
15 of Mohave County, Arizona.
16

17 Section 25 Gender. The singular, wherever used in
18 this Declaration shall be construed to mean the plural when
19 applicable, and the necessary grammatical changes required to
20 make the provisions of this Declaration apply either to
21 corporations or individuals, men or women, shall in all cases
22 be assumed as though in each case fully expressed.

23 Section 26 Section Headings. The marginal or
24 topical headings of the sections contained in this
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1 Declaration are for convenience only and do not define, limit
2 or construe the contents of the sections or this Declaration.

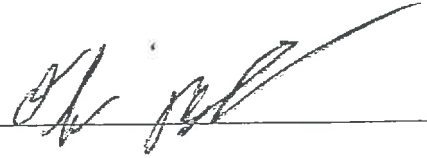
3 Section 27 Invalid Terms. In the event any
4 limitation, restriction, condition, covenant or provision
5 contained in this Declaration is to be held invalid, void or
6 unenforceable by any court of competent jurisdiction, the
7 remaining portions of this Declaration shall, nevertheless,
8 be and remain in full force and effect.

9 Section 28 Exhibits. All exhibits, if any,
10 referred to herein and attached hereto are a part hereof.

11 Section 29 Statutory Construction. In the event
12 of any discrepancies, inconsistencies or conflicts between
13 the provisions of this Declaration and the Articles, Bylaws,
14 Association Rules and Architectural Rules, the provisions of
15 this Declaration shall prevail.

16
17 IN WITNESS WHEREOF, this Declaration has been executed
18 as of the 02 day of MAY, 2006.

19 Majestic Homes Southwest
20 Building Co, LLC., an Arizona
21 limited liability company

22 By: 
23 _____
24 Its Managing Member
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