When recorded mail to:

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THUNDERBIRD VISTAS

THIS DECLARATION, made on the date hereinafter set forth by THUNDERBIRD VISTAS, L.L.C., an Arizona Limited Liability Company (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Maricopa, State of Arizona, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I DEFINITIONS

- Section 1. "Architectural Committee" shall mean the committee created pursuant to Article VIII hereof.
- Section 2. "Architectural Committee Rules" shall mean the rules adopted by the Architectural Committee.
- Section 3. "Articles" shall mean the Articles of Incorporation of the Association which are, or shall be filed in the Office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.
- Section 4. "Association" shall mean and refer to THUNDERBIRD VISTAS HOMEOWNERS ASSOCIATION, INC., an Arizona non-profit corporation, its successors and assigns.
- Section 5. "Association Rules" shall mean the rules adopted by the Board, as they may be amended from time to time.
 - Section 6. "Board" shall mean the Board of Directors of this Association.

- Section 7. "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.
- Section 8. "Common Area(s)" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.
- Section 9. "Declarant" shall mean THUNDERBIRD VISTAS, L.L.C., an Arizona Limited Liability Company, or any trustee or escrowee which may be designated by Declarant.
- Section 10. "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as same may from time to time be amended.
- Section 11. "Improvement" shall mean the buildings, roads, roadways, parking areas, lighting fixtures, fences, walls, hedges, plantings, planted trees and shrubs, and all other structures or landscaping of every type and kind.
- Section 12. "Lot" shall mean and refer to any separate parcel of real property shown upon any recorded subdivision map of the Property, which the exception of any Common Area.
- Section 13. "Member" shall mean any person, corporation, partnership, joint venture or other legal entity who is a member of the Association.
- Section 14. "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Lot. "Owner" shall include the purchaser under an executory contract for the sale of property but shall not include an optionee under an option to purchase a Lot or Lots. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include a lessee or tenant of a Lot. For the purposes of ARTICLE IV only, unless the context otherwise requires, "Owner" shall also include the family, guests, invitees, licensees, and lessees of any Owner, together with any other person or parties holding any possessory interest granted by such Owner in any Lot. "Owner" shall include Declarant so long as Declarant owns any Lot within the Property.
- Section 15. "Property" or "Properties" shall mean and refer to that certain real, personal, or mixed property hereinbefore described which is subject to this Declaration, and such additions hereto as may hereafter be brought within the jurisdiction of the Association.
- Section 16. "Public Purchaser" shall mean any person or other legal entity who becomes an Owner of any Lot within the Property, except Declarant.
- Section 17. "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE II PROPERTY RIGHTS

- Section 1. Owners' Easements of Enjoyment. Every Owner except Declarant shall have a right and easement of enjoyment in and to any Common Area, for the purposes for which any Common Area is intended, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:
- (a) The right of the Association to charge reasonable fees for the use of any facility situated upon any Common Area;

- (b) The right of the Association to suspend the voting rights and right to use of the facilities by an Owner for any period during which any assessment against his Lot remains unpaid or for any infraction of this Declaration or the rules or regulations duly promulgated by the Association, the Board or any duly constituted committee of the Association or Board.
- (c) The right of the Association to dedicate, transfer or convey, all of any part of any Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members as hereinafter provided. No such dedication, transfer, or conveyance shall be effective unless an instrument, signed by Owners representing two-thirds (2/3) of the Lots and Declarant and agreeing to such dedication, transfer, or conveyance, has been recorded.
- (d) The right of Declarant and its agents and representatives, in addition to the rights set forth elsewhere in this Declaration, to non-exclusive use, without charge, of any Common Area for maintenance of sales facilities, and for reasonable display and exhibit purposes.
- Section 2. Delegation of Use. Any Owner may delegate, in accordance with this Declaration, his right of enjoyment to any Common Area to the members of his family, his tenants, lessees, guests, and invitees, provided such delegation is for a reasonable number of persons and at reasonable times. The Board shall at all times have the right and authority to adopt and promulgate rules and regulations governing or restricting the usage of any Common Area, including hours of usage, number of members or guests using common facilities at one time, reservations, advance notice, etc.

Section 3. Owner's Easement of Enjoyment Limitations.

- (a) An Owner's right and easement of enjoyment in and to any Common Area shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot and such right and easement of enjoyment in and to any Common Area shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Owner's Lot, notwithstanding the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to any Common Area.
- (b) Any Common Area shall remain undivided and no action for partition or division of any part hereof shall be permitted.
- (c) Each Owner, tenant and occupant of a Lot, and the invitees, tenants, agents and employees of such Owner, may, subject to rules and regulations adopted by the Board, use any Common Area in common with the Owners, invitees, tenants, agents and employees of the other Lots in accordance with the purposes for which it is intended without hindering or encroaching upon the lawful right of such others.
- (d) No Owner will be exempted from liability for assessments with respect to any Common Area by waiver of the enjoyment of the right to use the Common Area or by abandonment of his Lot or otherwise.
- Section 4. Title to Common Area. Declarant shall convey title to any Common Area and all improvements thereon to the Association, free of all encumbrances except current real property taxes and other easements, conditions, reservations and restrictions then of record.

ARTICLE III GENERAL DECLARATION

Declarant has developed the Property into various Lots. Declarant intents to sell and convey to Public Purchasers, Lots within the Property so developed subject to this Declaration. Declarant hereby declares that all of the Property subject hereto is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration, as amended or modified from time to time. This Declaration is

declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of said Property and is established for the purpose of enhancing and perfecting the value, desirability and attractiveness of said Property and every part thereof. All of this Declaration shall run with all of said Property for all purposes and shall be binding upon and inure to the benefit of Declarant, the Association, all Owners and their successors in interest.

ARTICLE IV LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS

- Section 1. Permitted Uses and Restrictions ALL Property. The permitted uses, easements, and restrictions for all Property covered by this Declaration, shall be as follows:
- (a) <u>Single Family Residential Use</u>. All Lots shall be used, improved and devoted exclusively to single family residential use. No gainful occupation, profession, trade or other non-residential use shall be conducted on any Lot. Nothing herein shall be deemed to prevent the leasing of any Lot to a single family from time to time by the Owner thereof, subject to all of the provisions of this Declaration. No structure whatever, other than one private single family residence, together with a private garage for not less than two automobiles, shall be erected, placed or permitted to remain on any Lot. Each single family residence shall contain not less than 2,400 square feet of livable space exclusive of open porches, patios or garages. Notwithstanding any contrary provisions hereof, Lots owned by Declarant or any licensed general contractor designated by Declarant may be used as model homes, and for sales and construction offices for the purpose of selling Lots within the Property, until such time as all of the Lots have been sold to Public Purchasers.
- (b) Antennas. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any Property whether attached to a building or structure or otherwise, unless approved by the Board and in no event shall any such antenna or device be Visible From Neighboring Property.
- (c) <u>Utility Service</u>. No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Architectural Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Architectural Committee, nor shall any provision hereof prohibit the erection of service pedestals and above-ground switch cabinets and transformers where required.
- (d) improvements and Alterations. No improvements, alterations, repairs, excavation or other work which in any way alters the exterior appearance of any Property or the Improvements located thereon from its natural or improved state existing on the date such Property was first conveyed or transferred to a Public Purchaser shall be made or done without the prior approval of the Architectural Committee, except as otherwise expressly provided in this Declaration. No building, fence, wall, or other structure shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the Architectural Committee or any committee established by the Architectural Committee for that purpose. Pursuant to its rulemaking power, the Architectural Committee shall establish a procedure for the preparation, submission and determination of applications for any such alteration or improvement. The Architectural Committee shall have the right to refuse to approve any plans or specifications or grading plan, which are not suitable or desirable, in its opinion, for aesthetic or other reasons, and in so passing upon such plans, specifications and grading plans, and without any limitation of the foregoing, it shall have the right to take into consideration the suitability of the proposed building or other structure, and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the building or other structure or improvement as planned, on the outlook from the adjacent or neighboring Property. All subsequent additions to or changes or

alterations in any building, fence, wall or other structure, including exterior color scheme and building materials, shall be subject to the prior approval of the Architectural Committee. No changes or deviations in or from such plans and specifications once approved shall be made without the prior written approval of the Architectural Committee. All decisions of the Architectural Committee shall be final and no Lot Owner or other parties shall have recourse against the Architectural Committee or any of its members, for and with respect to any decisions made in good faith.

- (e) <u>Maintenance of Lawns and Plantings</u>. The Association shall maintain any lawns and plantings on all Common Areas, and for this purpose, the Association shall have the right, at any time, to plant, replace, maintain and cultivate landscaping, shrubs, trees, grass and plantings on any Common Area and on such easements over an Owner's Lot as may have been granted to Declarant or the Association, regardless of whether any Owner or the Association is responsible hereunder for maintenance of such areas. No Owner shall remove, alter, injure or interfere in any way with any landscaping, shrubs, trees, grass or plantings upon any Common Area without the written consent of the Association having first been obtained.
- (f) Repair of Buildings. No improvement upon any Property shall be permitted to fall into disrepair, and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. The Association shall have the right, after thirty (30) days' notice to an Owner, to repair, paint, or otherwise maintain the exterior or any Improvement (and without notice in the event of an emergency) which the Association, acting through its Board, determines in its discretion is in violation of this provision. All costs and expenses, including reasonable attorneys' fees, incurred by the Association shall be borne by the Owner, and shall be paid to the Association on demand plus interest at the maximum lawful rate for contracting parties from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in a like manner as assessments levied pursuant to Article VII. Carports and garages must be kept in a neat and tidy manner at all times when the interior of the same is visible from the street or from adjoining property.
- (g) <u>Trash Containers and Collection</u>. No garbage or trash shall be placed or kept on any Property except in covered containers of a type, size and style which are approved by the Architectural Committee. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make the same available for collection and, then, only for the shortest time reasonably necessary to effect such collection. The Board shall have the right, in its sole discretion, to require all Owners to subscribe to a trash service. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Lot.
- (h) Overhangs. No tree, shrub, or planting of any kind on any Property shall be allowed to overhang or otherwise to encroach upon any Common Area from ground level to a height of twelve (12) feet, without the prior approval of the Architectural Committee.
- (i) Right of Way. During reasonable hours, Declarant or any member of the Board shall have the right to inspect the exterior of any Property and the Improvements thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.
- (j) Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such property, and except that which Declarant, or the Association may require for the operation and maintenance of any Common Area. No elevated tanks or large containers of any kind shall be erected, placed or permitted upon any Lot, except for use in connection with any residence thereon, and except as shall have first been approved by the Architectural Committee. All such approved tanks or containers shall be buried or

kept screened by adequate plantings or fence work, and shall not be Visible From Neighboring Property. Without the approval of the Architectural Committee, no machinery or equipment of any kind shall be placed, operated or maintained upon the roof of any structure.

- (k) <u>Restriction on Further Subdivision</u>. No Lot shall be further subdivided or separated into smaller lots or parcels by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Board. No Lot may be converted into a condominium or cooperative or other similar type of entity. No portion of a Lot, but for the entire Lot, together with the Improvements thereon, may be rented or leased, and then only to a single family.
- (I) <u>Signs</u>. No signs whatsoever which are Visible From Neighboring Property shall be erected or maintained on any Lot except such signs the nature, number and location of which have been approved in advance by the Architectural Committee.
- (m) <u>Utility Easements</u>. There is hereby created a blanket easement upon, across, over and under the above described Property for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including, but not limited to, water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on said Property and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of said Property. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on said Property except as initially developed and approved by the Declarant or thereafter approved by the Board. This easement shall in no way affect any other recorded easements on said Property.
- (n) Animals. No animals shall be kept or maintained upon the Property except that two dogs, two cats and such other small pets primarily kept in the residential dwelling may be kept, provided such pets are not kept, boarded, bred or maintained for any commercial purpose. All animals, including dogs, shall be kept within a fenced area, caged or otherwise controlled, and not allowed to wander about. The Board shall at all times have the right to adopt and promulgate rules and regulations regarding pets and animals. Decisions rendered and rules and regulations adopted by the Board shall be enforceable as other restrictions contained herein.
- (o) <u>Temporary Occupancy</u>. No trailer, basement or any uncompleted improvement, building, tent, shack, garage or barn, and no temporary improvement of any kind shall be used at any time for a residence on any Property either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any such Property shall be removed immediately after the completion of construction. Notwithstanding any contrary provision hereof, Declarant and licensed contractors authorized by Declarant shall have the right until the Property is completely developed to maintain temporary construction, sales and storage facilities incident to the development and sale of the Lots to Public Purchasers.
- (p) Trailers and Motor Vehicles. No mobile home, motorhome, boat, recreational vehicles, trailer of any kind, truck, camper, permanent tent, or similar structure shall be kept, placed, maintained, constructed, reconstructed or repaired, nor shall any motor vehicle be construction, reconstructed or repaired, upon any portion of any Property or street (public or private) within the Property, in such a manner as will be Visible From Neighboring Property for more than twenty-four (24) consecutive hours or for more than forty-eight (48) hours, in the aggregate during any consecutive seven (7) day period; provided, however, that the provisions of this paragraph shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Architectural Committee. Garages shall be used for parking vehicles and storage purposes only, and shall not be converted for living or recreational activities without the written consent of the Architectural

Committee. Except as provided above, only automobiles in operating condition shall be parked in uncovered parking areas. Automobiles and other motor vehicles shall not be parked in or on any Common Area without the prior approval of the Board.

- (q) <u>Nuisances</u>. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Property, and no odors shall be permitted to arise therefrom, so as to render any such Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its occupants. No nuisance shall be permitted to exist or operate upon any such Property so as to be offensive or detrimental to any other Property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devises, except security devices used exclusively for security purposes, shall be located, used or placed on any such Property. The Board in its sole discretion shall have the right to determine the existence of any such nuisance. No motorcycles or motor driven vehicles (except lawn maintenance equipment and golf carts) shall be operated on any walkways or sidewalks within the Property.
- (r) <u>Clothes Drying Facilities</u>. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Property unless they are erected, placed and maintained exclusively within a fenced service yard or otherwise concealed and shall not be Visible From Neighboring Property.
- (s) <u>Mineral Exploration</u>. No Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth, or any earth substance of any kind.
- (t) <u>Diseases and Insects</u>. No Owner shall permit any thing or condition to exist upon any Property which shall induce, breed or harbor infectious plant diseases or noxious insects.
- (u) <u>Drainage Easement.</u> There is hereby created a blanket easement for drainage of groundwater on, over and across the Property. No Owner shall obstruct, divert, alter or interfere in any way with the drainage of groundwater upon, across or over any portion of the Property. Each Owner shall at his own expense maintain the drainageways and channels on his Lot in proper condition free from obstruction. The Association shall have the right, after thirty (30) days' notice to an Owner, to repair or otherwise maintain the drainageway or channel on said Owner's Lot, which the Association, acting through its Board, determines has not been maintained by the Owner in compliance with this provision. All costs and expenses, including reasonable attorney's fees incurred by the Association shall be borne by the Owner, and shall be paid to the Association on demand, plus interest at the maximum lawful rate for contracting parties from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in like manner as assessments levied pursuant to Article VII.
- (v) <u>Air Conditioning and Heating Equipment</u>. No exterior air conditioning unit, heating unit or evaporative cooler equipment shall be installed without the prior written approval of the Architectural Committee. All air conditioning units, heating units and evaporative cooling equipment shall be shielded and hidden so that they shall not be readily Visible From Neighboring Property. The Architectural Committee shall have the right to require any specific shielding and such approval shall be binding on all persons so long as it is maintained in the condition as approved by the Architectural Committee.
- (w) <u>Builder's Exemption</u>. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized licensed contractors, of structures, improvements or signs reasonably necessary or convenient to the development, sale, operation or other disposition of the Property. The construction of residential dwellings and sale, rental or other disposal of said residential units is essential to the establishment and welfare of the Properties as a residential community. In order that the work may be completed and the Properties established

as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood and construed to:

- (1) Prevent Declarant, its authorized contractors or subcontractors from going on the Properties or any Lot thereof, whenever it is reasonably necessary or advisable in connection with the completion of said work; or
- (2) Prevent Declarant, or its authorized representatives, from erecting, constructing and maintaining on the Properties, such structures as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise:
- (3) Prevent Declarant at any time prior to acquisition of title by a Public Purchaser, from amending this Declaration to establish on the Properties additional easements, reservations or rights of way to itself, to utility companies or to others as may from time to time be reasonably necessary to the proper development and disposal of the Properties or any Lots therein. Declarant shall have the right, following the acquisition of title by a Public Purchaser from Declarant, to grant easements and rights of way to utility companies for the purpose of serving properties affected by this Declaration. Declarant, or the organization for whose benefit said easements, reservations and rights of way have been established, shall have the right at any time to cut and remove any trees or branches or any other unauthorized object from such easements, reservations and rights of way.
- (x) <u>Solar Heating.</u> Upon obtaining the prior approval of the Architectural Committee in accordance with the provisions of Article IV, Section 1, Paragraph D of this Declaration, the Owner of any Lot may, subject to the terms, covenants, provisions and conditions of Article IV, Section 1, Paragraph D of this Declaration, install, replace, repair, maintain, use, modify and change a solar heating system on such Lot. The Architectural Committee shall have the right and power to promulgate reasonable and non-discriminatory rules relating to the use, operation, repair, replacement, maintenance and modification of any solar heating system, and each and every Owner shall be bound thereby. Solar heating systems may be installed on roofs if the Architectural Committee determines that the installation will be aesthetic pursuant to the requirements of Article IV, Section 1, Paragraph D, which may include screening from neighboring property, roads and streets.

(v) Landscaping.

- (1) Landscaping of the front and side yards of each Lot which is visible from the street shall be completed within six (6) months of the final building inspection.
- (2) Each owner, tenant and occupant of a Lot shall care for and maintain all landscaping and shall keep all shrubs, trees, grass and plantings of every kind thereon neatly trimmed, properly cultivated, and free of trash, weeds, and other unsightly material.
- (3) Without prior written consent of Declarant, no excavation shall be made except in connection with construction of an improvement and, upon completion thereof, exposed openings shall be backfilled and disturbed ground shall be compacted, graded and leveled. THE NATURAL TERRAIN, SLOPE, DRAINAGE AND LANDSCAPING SHALL BE PRESERVED TO THE GREATEST EXTENT POSSIBLE. NO MASS GRADING, LEVELING OR DESTRUCTION OF THE NATURAL LANDSCAPING SHALL BE PERMITTED WITHOUT THE ARCHITECTURAL COMMITTEE'S ADVANCE WRITTEN CONSENT.
- (z) <u>Roofing Materials</u>. All structures erected upon any Lot shall be covered with a "lifetime roofing material" on any roof with a drop greater than one inch for every horizontal foot of run. "Lifetime roofing material" is defined as a material that will withstand the elements for a period of time equal to or greater than the expected useful life of all structures upon each Lot, and shall

include tile, slate, shake shingles, and cement roofing materials. Declarant reserves the right in its discretion to determine whether any product designed as a roofing material, whether specifically mentioned above or not, shall meet the intent of this restriction. Specifically prohibited on roofs covered by this restriction are asphalt shingles, metal, built-up roofing (whether or not covered by gravel or rock products), wood, foam, asphalt roll roofing, and other similar products. Any structure exempted as set forth above from this lifetime roofing material requirement shall have a parapet wall on all sides of the roof sufficient in height so the roof will not be Visible From Neighboring Properties.

ARTICLE V THE ASSOCIATION

Section 1. Organization.

- (a) <u>The Association</u>. The Association is an Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. The Association shall be incorporated prior to the conveyance of any Lot to a Public Purchaser.
- (b) <u>Board of Directors and Officers</u>. The affairs of the Association shall be conducted by a Board of Directors and such Officers as the Directors may elect or appoint, in accordance with the Articles and Bylaws, as same may be amended from time to time.
- Section 2. Powers and Duties of the Association. The Association shall have such rights, duties and powers as set forth in the Articles and Bylaws, as same may be amended from time to time.
- Section 3. Rules. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations known as the "Rules". The Rules may restrict and govern the use of any area by any Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded. Said Rules shall have the same force and effect as if they were set forth in and were a part of the Declaration.
- Section 4. Personal Liability. No member of the Board or any Committee of the Association, or any officer of the Association, or any Manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, any Manager, or Committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without wilful or intentional misconduct.

ARTICLE VI MEMBERSHIP AND VOTING RIGHTS

- Section 1. Members. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.
- Section 2. Class of Members. The Association shall have two (2) classes of voting membership:
 - Class A. Class A Members shall be all Owners (with the exception of the Declarant) and shall be entitled to one vote for each Lot owned.
 - Class B. Class B Members shall be the Declarant and shall be entitled to twelve (12) votes for each Lot owned.

- Section 3. Members Entitled to Vote. When more than one person holds an interest in any Lot, only one (1) person shall be the voting Member. Such persons holding an interest shall designate the person to be the voting Member and give written notice thereof to the Association. The vote for such Lot may be exercised as the Owners among themselves determine, but in no event shall more than one (1) ballot be cast with respect to any Lot. The vote for each Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all Owners of the same Lot. In the event more than one vote is cast for a particular Lot, said ballots shall not be counted and shall be deemed void.
- Section 4. Cumulative Voting. In any election of the Board of Directors, every Owner entitled to vote at such an election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of Lots owned by the Owner multiplied by the number of votes the Owner is entitled to cast per Lot multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the directors to be elected, shall be deemed elected.
- Section 5. Other Rights. Each member shall have such other rights, duties, and obligations as set forth in the Articles and Bylaws, as same may be amended from time to time.
- Section 6. Membership Transfers with Lot. The Association membership of each Owner of a Lot shall be appurtenant to said Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to said Lot shall operate to transfer said membership to the new Owner thereof.

ARTICLE VII COVENANTS FOR ASSESSMENTS

- Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot (other than Declarant) by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges to be established and collected as hereinafter provided. The assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Property and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successor in title unless expressly assumed by them. No Lot shall be sold, transferred or conveyed by any Owner without all assessments having been paid in full, whether or not a lien has been filed or recorded.
- Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners of the Property and for the improvement and maintenance of any Common Area. Without limited the generality of the foregoing, such purposes may include the payment for the following:
- (a) Public liability insurance insuring the Association against any liability to the public or to any Owner, their invitees or tenants, with such limits of coverage as may be determined by the Board;
- (b) Standard fidelity bonds covering those certain members of the Board, the officers, and those certain employees of the Association who are authorized to sign checks on behalf of the Association, in such amounts as the Board may determine from time to time;
 - (c) Painting, maintenance, repair, and replacement of any Common Area;

- (d) Reimbursement for reasonable expenses incurred by members of the Board and officers in the discharge of their duties;
 - (e) Real estate taxes and assessments of any property of the Association; and
- (f) Such other and further items as may be necessary or required by the Association to carry out its intent, duties and purposes as set forth in this Declaration.
- Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to a Public Purchaser, the maximum annual assessment for each Lot owned by a Public Purchaser shall be \$300.00. Declarant shall at all times be exempt from the duty to pay assessments.
- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board each year not more than twenty-five percent (25%) above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to a Public Purchaser, the maximum annual assessment may be increased above twenty-five percent (25%) by a vote of the Owners representing two-thirds (2/3) of the Lots within the Property, at a meeting duly called for this purpose.
- (c) The Board may increase or decrease the annual assessments and shall fix the assessments annually, but not in an amount in excess of the maximum.
- Section 4. Notice Requirement for any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all Members not less than ten (10) days nor more than (60) days in advance of the meeting.
- Section 5. Uniform Rate of Assessment. Assessments must be fixed at a uniform rate for all Lots of the same class and may be collected on a monthly, quarterly, or annual basis.
- Section 6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence on the first day of the month following the conveyance of said Lot to a Public Purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the Calendar Year as of the date of commencement of the applicable assessment. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.
- Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Each Owner of any Lot (except Declarant, which is exempt) shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and agrees to the enforcement of the assessments in the manner herein specified. In the event the Association employs an attorney or attorneys for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each Owner and Member agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner or Member. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any

Owner of a Lot hereby expressly waives any objection to the enforcement and foreclosure of this lien in this matter.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII ARCHITECTURAL CONTROL

- Section 1. Organization, Power of Appointment and Removal of Members. There shall be an Architectural Committee, organized as follows:
- (a) <u>Committee Composition</u>. The Architectural Committee shall consist of three regular members and in the exercise of the sole discretion of the Board, two alternate members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board or an officer of the Association.
- (b) <u>Alternate Members</u>. If alternate members are appointed by the Board, in the event of the absence or disability of one or two regular members of said Committee, the remaining regular member or members, even though less than a quorum, may designate either or both of the alternate members to act as substitutes for the absent or disabled regular member or members for the duration of such absence or disability.
- (c) <u>Initial Members</u>. The following persons are hereby designated as the initial members of the Architectural Committee:

Office No. 1 - Richard E. Meese - Regular Member
Office No. 2 - Kevin V. Walden - Regular Member
Office No. 3 - Wayne A. Collins - Regular Member

- (d) Terms of Office. Unless the initial members of the Architectural Committee have resigned or been removed, their term of office shall be for a period of one year, or until the appointment of their respective successors. Thereafter, the term of each Architectural Committee member appointed shall be for a period of one year and until the appointment of his successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.
- (e) <u>Appointment and Removal</u>. The right to appoint and remove all regular and alternate members of the Architectural Committee at any time, shall be and is hereby vested solely in the Board, provided, however, that no regular or alternate member may be removed from the Architectural Committee by the Board except by the vote or written consent of fifty-one percent of all of the members of the Board. Exercise of the right of appointment and removal, as set forth herein, shall be evidenced by the recordation of a declaration identifying each new regular or alternate member appointed to the Committee and each regular or alternate member replaced or removed therefrom.
- (f) <u>Resignations</u>. Any regular or alternate member of the Architectural Committee may at any time resign from the Committee by giving written notice thereof to the Board.

- (g) <u>Vacancies</u>. Vacancies on the Architectural Committee however caused, shall be filled by the Board. A vacancy or vacancies on the Architectural Committee shall be deemed to exist in case of the death, resignation or removal of any regular or alternate member.
- Section 2. Duties. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.
- Section 3. Meetings and Compensation. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. Subject to the provisions of Paragraph B of Section 1 above, the vote or written consent of any two regular members, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of this Declaration. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. Members of the Architectural Committee shall not be entitled to compensation for their services.
- Section 4. Architectural Committee Rules. The Architectural Committee may, from time to time and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, rules and regulations, to be known as "Architectural Committee Rules". The Architectural Committee Rules shall interpret and implement the Declaration by setting forth the standards and procedures for Architectural Committee review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use within the Property. Said Rules shall be subject to and shall not conflict with this Declaration.
- Section 5. Waiver. The approval of the Architectural Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under the Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing specification or matter subsequently submitted for approval.
- Section 6. Liability. Neither the Architectural Committee nor any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any Property, or (d) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Architectural Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee.
- Section 7. Time for Approval. In the event said Board, or its designated committee fails to approve or disapprove such design and location within 60 days after said plans and specifications submitted to it, approval will not be required and this Article will deemed to have been fully complied with.

ARTICLE IX RIGHTS OF FIRST MORTGAGEES

Notwithstanding any language to the contrary contained in this Declaration, and in addition to the rights granted elsewhere in this Declaration, the rights of all First Mortgagees of Lots in the Project shall be as follows:

- Section 1. Rights of First Mortgagee. Nothing contained in this Declaration, the Articles of Incorporation or the Bylaws of the Association shall impair the rights of the First Mortgagee to:
 - (a) Foreclose or take title to a Lot (which as used in this Article IX shall mean a Lot together with the improvements thereon) pursuant to the remedies provided in the mortgage, or
 - (b) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or
 - (c) Sell or lease the Lot acquired by the mortgagee.
- Section 2. No Liability for Unpaid Assessments. Any First Mortgagee who obtains a title to a Lot pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Lot's unpaid annual assessments or charges which accrue prior to the acquisition of title to such Lot by the Mortgagee.
- Section 3. Limitation on Association. Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each mortgage owned) or Owners (other than Declarant) of the individual Lots in the Properties have given their prior written approval, the Association shall not be entitled to:
 - (a) By act or omission seek to abandon, partition, sub-divide, encumber, sell or transfer any portion of any Common Area, directly or indirectly, by the Association. (The granting of easements for public utilities or for other public purposes consistent with the intended use of any Common Area by the Association or the members thereof shall not be deemed a transfer within the meaning of this subparagraph).
 - (b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot.
 - (c) By act or omission, waive or abandon maintenance of any Common Areas;
 - (d) Fail to maintain fire and extended coverage on any insurable Common Area property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based upon current replacement cost;
 - (e) Use hazard insurance proceeds for loss to any common property for other than the repair, replacement or construction of such common property.
- Section 4. Taxes & Insurance. First Mortgagees of Lots may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against any property constituting any Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.
- Section 5. Priorities. No provision of this Declaration, the Articles of Incorporation, or the Bylaws gives an Owner, or any other party, priority over any rights of the First Mortgagee of a Lot pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of all or any portion of any Common Areas.

- Section 6. Reserve Fund. Annual assessments by the Association shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of any Common Area that must be replaced on a periodic basis.
- Section 7. Notice of Default. Any First Mortgagee, upon request, shall be entitled to written notification from the Association of any default in the performance by an Owner of any obligations under this Declaration, the Articles of Incorporation, or the Bylaws which is not cured within sixty (60) days.
- Section 8. Management Agreements. Any agreement for professional management of the Association and any other contract providing for such services, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee upon ninety (90) days or less written notice.
- Section 9. Definition. As used in this Article, the term "First Mortgagee" shall mean and refer to the holder of any mortgage or deed of trust with first priority over the holder of any other mortgage or deed of trust.

ARTICLE X GENERAL PROVISION

- Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.
- Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period and thereafter by an instrument signed by Owners representing fifty-one (51%) percent of the votes entitled to be cast by Members of the Association; provided, however, that during the first twenty (20) years no amendment shall be effective unless it is also executed by Declarant. Any amendment must be recorded in the Maricopa County Recorder's Office.
- Section 4. Violations and Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not relief sought is for negative or affirmative action, by Declarant, the Association or any Owner or Owners of Lots within the Property. However, any other provision to the contrary notwithstanding, the Declarant, the Association, the Board, or the duly authorized agents of any of them, may enforce by self-help any of the provisions of this Declaration.
- Section 5. Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any property within the Property is hereby declared to be a violation of the Declaration and subject to any or all of the enforcement procedures set forth in said Declaration.
- Section 6. Remedies Cumulative. Each remedy provided by the Declaration is cumulative and not exclusive.
- Section 7. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it

shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Association, at 10320 W. Indian School Road, Phoenix, Arizona 85037; if to an Owner, to the address of any Lot within the Property owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association; and if to Declarant at 10320 W. Indian School Road, Phoenix, Arizona 85037; provided, however, that any such address may be changed at any time by the party concerned by recording a written notice of change of address and delivering a copy thereof to the Association. Each Owner of a Lot shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

Section 8. Captions. All captions or titles used in this Declaration are included solely for convenience of reference and shall not affect the meaning or interpretation of that which is set forth in any of the terms or provisions of this Declaration.

Section 9. The Declaration. By acceptance of a deed or by the acquiring any ownership interest in any of the real property included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulation now or hereafter imposed by this Declaration and any amendments hereto. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, and the Owner of the Property, has hereunto set its hand and seal this ________ day of ________, 1995.

THUNDERBIRD VISTAS, L.L.C., an Arizona Limited Liability Company

RICHARD E. MEESE, Co-Manager

KEVIN V. WALDEN, Co-Manager

STATE OF ARIZONA

OFFICIAL SEAL
WAYNE D. COLLINS
NOTARY PUBLIC - STATE OF ARIZONA
MARICOPA COUNTY
My Comm. Expires July 12, 1996

COUNTY OF MARICOPA

On this the 5th day of SEPTEMBER, 1995, before me, the undersigned officer, personally appeared Richard E. Meese and Kevin V. Walden, who acknowledged themselves to be the Co-Managers of THUNDERBIRD VISTAS, L.L.C., an Arizona Limited Liability Company, and that they as such Co-Managers being authorized so to do, executed the foregoing instrument on behalf of the limited liability company for the purposes therein contained.

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

My Commission expires:

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حزامهومة بالمتعاطوا كالوما فيزده فرسوموهم وموطوطتهم وخلائهم مجاله كلتويه يعتملهم يمتعهمك يفرغه تأديرتنا ووجائك والمتناطعات

EXHIBIT "A"

Being a portion of the Northwest quarter of the Southeast quarter of Section 7, Township 4 North, Range 2 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

COMMENCING at the Southeast corner of the Northwest quarter of the Southeast quarter of said Section 7, said point also being the Southwest corner of Finnacle Rill as recorded in Book 356, page 50 of the Official Records of Maricopa County, Arizona;

thence North 00 degrees 09 minutes 06 seconds East, and along said boundary, 872.43 feet to the Point of Beginning;

thence South 12 degrees 00 minutes 00 seconds West, and departing from said Pinnacle Hill, 146.11 feet;

thence South 60 degrees 30 minutes 06 seconds West, 74.79 feet;

thence North 44 degrees 13 minutes 02 seconds West, 167.56 feet;

thence North 89 degrees 43 minutes 12 seconds West, 123.00 feet;

thence North 45 degrees 12 minutes 32 seconds West, 107.98 feet;

thence North 00 degrees 16 minutes 40 seconds East, 55.00 feet;

thence North 89 degrees 43 minutes 12 seconds West, 298.00 feet;

thence South 81 degrees 04 minutes 12 seconds West, 82.63 feet;

thence South 64 degrees 47 minutes 45 seconds West, 84.79 feet;

thence South 48 degrees 16 minutes 14 seconds West, 84.79 feet;

thence South 32 degrees 12 minutes 35 seconds West, 233.62 feet;

thence North 57 degrees 47 minutes 25 seconds West, 74.25 feet;

thence South 00 degrees 42 minutes 07 seconds West, 154.82 feet;

thence North 89 degrees 17 minutes 53 seconds West, 150.00 feet to a point on the Westerly line of the Southeast quarter of Section 7;

thence North 00 degrees 42 minutes 07 seconds East and along said Westerly line, 799.19 feet to a point on the South line of Pinnacle Hill Unit 2 as shown in Book 359, page 30, of the Official Records of Maricopa County, Arizona;

thence South 89 degrees 43 minutes 12 seconds East, and along said Pinnacle Hill Unit 2, 1201.95 feet to a point on the Northwest corner of Pinnacle Hill as shown in Book 356, page 50 of the Official Records of Maricopa County, Arizona;

thence South 13 degrees 52 minutes 37 seconds East, and departing from said Pinnacle Hill Unit 2 and along Pinnacle Hill, 123.76 feet;

thence South 89 degrees 50 minutes 49 seconds East, 1.68 feet to a point on the Westerly right-of-way of Pinnacle Hill Drive, said point also being the beginning of a non-tangent curve being concave Easterly and having a radius of 630.00 feet;

thence Southerly along the arc of said curve and said right-of-way, through a central angle of 13 degrees 33 minutes 42 seconds, an arc plistance of 149.12 feet;

thence South 00 degrees 09 minutes 06 seconds West, and departing from aforesaid right-of-way, 184.02 feet to the Point of Beginning.

WHEN RECORDED MAIL TO:

Thunderbird Vistas, L.L.C. 10320 W. Indian School Road Suite A

Phoenix, Arizona 85037

LP Y

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OFFICIAL RECORDS OF MARICOPA COUNTY RECORDER HELEN PURCELL

96-0270205

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LAWYERS TITLE OF ARIZONA, INC.

ADDENDUM TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THUNDERBIRD VISTAS

Article 4, Section 1(aa) - WALLS

This Addendum to DECLARATION, which was recorded September 15, 1995, recorded as Instrument Number 95-0563191 in Maricopa County Office of the Recorder, made on the date hereinafter set forth by THUNDERBIRD VISTAS, L.L.C., an Arizona Limited Liability Company (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Maricopa, State of Arizona, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference. Lots 1 through 27 inclusive of Thunderbird Vistas as recorded in Map 401, Page 48 and amended in Book 407, Page 39.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and shall run with, the real property.

Lot 1 may have a wall constructed along the east property line commencing 20 feet from the back of the sidewalk (Developer reserves the right to construct). Additionally, a wall may be constructed across the rear property line and the sideyard up to the front of the house.

Lot 2 may construct a wall along the rear property line and along the west property line up to the front of the house. No wall is permitted along the east property line.

Lots 3, 4, 5 & 6 may construct a wall along the rear property line and side property lines up to the front of the house.

Walls built on Lots 7 through 18 and 24 through 26 which are designated as Hillside Lots (HL) are restricted to the graded area of the lot, perimeter walls are not permitted.

Lots 19, 20, 21, and 22 may construct a wall along the side property lines up to the front of the house. Rear walls are permitted to be constructed at the outer limit of gradeable area. Rear walls shall be "see through" type, utilizing metal sections mounted on a solid base which shall not exceed 2 feet in height.

Lot 23 may construct a wall along the west property line up to the front of the house. A wall may be constructed across the rear (south side) of the gradeable area which shall not extend beyond 25 feet back from the rear of the front sidewalk.

Lot 27 may have a wall constructed along the east property line commencing 20 feet from the back of the sidewalk (Developer reserves the right to construct). Additionally, a wall may be constructed along the south property line, not to extend beyond the front of the house. No wall may be constructed on the west property line. A wall may be constructed along the north side not closer than 20 feet from the property line, not to extend beyond the front of the house if the front of the house faces west. If the front of the house faces north then no wall shall be permitted along the north property line.

All walls shall be of masonry construction and stuccoed so that no block outlines may be seen. No wall shall exceed 6 feet in height.

This Addendum shall be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

In witness whereof, the undersigned, being the Declarant herein and the owner of the property, has hereunto set its hand and seal this ______ day of April, 1996.

THUNDERBIRD VISTAS, L.L.C. an Arizona Limited Liability Company

Richard E. Meese, Co-Manager

Kevin V. Walden, Co-Manager

STATE OF ARIZONA	•
County of Maricopa) ss.)

The foregoing instrument was acknowledged before me this 18th days of April, 1996, by Richard E. Meese, Co-Manager of THUNDERBIRD VISTAS, L.L.C., an Arizona Limited Liability Company

Notary Public

My Commission Expires:



STATE OF ARIZONA) ss. County of Maricopa)

The foregoing instrument was acknowledged before me this 18th days of April, 1996, by Kevin V. Walden, Co-Manager of THUNDERBIRD VISTAS, L.L.C., an Arizona Limited Liability Company

Notary Public

My Commission Expires:



EXHIBIT "A"

Lots 1 through 27 inclusive and Tracts A and, THUNDERBIRD VISTAS, according to the plat of record in the office of the Maricopa County Recorder of Maricopa County, Arizona, in Book 401 of Maps page 48 and amended in Book 407, Page 39.

THUNDERBIRD VISTA HOMEOWNERS ASSOCIATION

Enforcement Policy

Pursuant to the Arizona Planned Communities Act A.R.S. § 33-1803 and Article V, Section 3 of the Declaration of Covenants, Conditions and Restrictions for Thunderbird Vista (the "Declaration"), the following resolution is hereby adopted by the undersigned, being all of the directors of Thunderbird Vistas Homeowners Association (the Association")

WHEREAS, pursuant to A.R.S. § 33-1803, the Association has the power to impose reasonable monetary fines after notice after an opportunity to be heard for any violation of the Community Documents: Community Documents include the Declaration, Bylaws, Articles of Incorporation, Architectural Committee rules and Association Rules;

WHEREAS, the Association has authority pursuant to Article V, Section 3 of the Declaration to adopt, amend, and repeal rules and regulations;

WHEREAS, the Board of Directors of Thunderbird Vista Homeowners Association (the "Board") finds there is a need to establish procedures to better ensure owner compliance in a reasonable manner;

NOW THEREFORE, IT IS RESOLVED that the following procedures and practices are established to ensure owner compliance, and to be known as the "Enforcement Policy" for the Association;

The owner(s) shall be liable for any violations of the Declaration, and for any violation committed by a family member, guest, invitee, licensee, or other occupant of the Owner's lot. The amount of the monetary penalties shall be determined based on the nature of the offense and the number of violations.

Notice will be given by delivery of a FIRST NOTICE or INTENT TO FINE NOTICE either by United States Mail or hand delivered to Owner's last known address. Monetary penalties will be imposed uniformly according to the procedures set for as follows:

- A FIRST NOTICE will be sent to the Owner(s) at the mailing address as it appears on the records of the Association at the time of the notice. FIRST NOTICE shall be a warning letter, with no monetary penalty imposed, and shall provide the Owner(s) with adequate time to comply. The FIRST NOTICE will contain:
 - a. Nature and date of the violation.
 - b. A deadline for correcting the violation.

- 2. An INTENT TO FINE NOTICE will be sent if the violation is not corrected on or before the deadline date indicated in the FIRST NOTICE. The INTENT TO FINE NOTICE will contain:
 - a. Nature and date of the violation.
 - b. Reference to the date of the first notice sent.
 - c. Notification that this is the FIRST INTENT TO FINE NOTICE.
 - d. A deadline of thirty (30) days or more for correcting the violation
 - e. Notification of monetary penalty imposed.
 - f. Appeal Procedure.
- 3. Additional (2nd, 3rd, 4th, 5th, etc...) INTENT TO FINE NOTICE will be sent if the violation is not corrected on or before the deadline date indicated in the previous INTENT TO FINE NOTICE. These INTENT TO FINE NOTICES will contain:
 - a. Nature and date of violation.
 - b. Reference to the date of the previous notice sent.
 - c. Notification that this is a 2nd, 3rd, 4th, 5th, etc...INTENT TO FINE NOTICE.
 - d a deadline of thirty (30) days or more for correcting the violation.
 - e. Notification of monetary penalty imposed.
 - f. Appeal Procedure.
- 4. A Recurring Violation is defined as the same violation occurring within a ninety (90) day period of a previous notice. An INTENT TO FINE NOTICE will be sent for a recurring Violation. This INTENT TO FINE NOTICE will contain:
 - a. Nature and date of the violation.
 - b. Reference to the date(s) of the previous notice(s) sent.
 - c. Notification that this is a Recurring Violation.
 - d. Notification of total (1, 2, 3, etc...) Recurring Violations within the past 52 calendar weeks.
 - e. A deadline of thirty (30) days or more for correcting the violation.
 - f. Notification of monetary penalty imposed.
 - g. Appeal Procedure.
- 5. Appeal: Upon receipt of an INTENT TO FINE NOTICE, the Owner(s) has 14 calendar days* from the Intent to Fine Notice date in which to appeal the violation and monetary penalty. The appeal procedure is as follows:
 - a. Owner(s) may appeal the monetary penalty in writing to the Board of Directors.
 - b. Owner(s) may appeal by requesting to meet with the Board of Directors at an arranged time to present any supporting information that may lead to a reconsideration of any impeding monetary penalty.
 - Or any longer period as may be set by law.
- 6. If the Owner(s), after receiving notice of violation and impending monetary penalty, do not seek to appeal the violation in a timely manner, or fail to appear

at a scheduled meeting, or fails to take other appropriate action, it shall be deemed that the Owner(s) has waived his/her opportunity to be heard and to contest the violation and monetary penalty as set forth above. The monetary penalty shall become due on the date the appeal period expires if not appeal has been received.

- 7. The Board of Directors reserves the right to extent the date of compliance for any violation. If the Board of Directors chooses to extend the compliance date, the monetary penalty becomes effective in the new compliance date if the violation has not been corrected.
- 8. The Board of Directors reserves the right to reassess any impending monetary penalty or compliance date on any violation without receiving a formal appeal from the Owner(s). The Owner(s) shall be notified in such instances.
- 9. The following shall be the established guidelines for assessing any monetary penalty:
 - a. A monetary penalty of \$50.00 will be levied on the Owner's account if the violation has not been corrected by the date indicated in the FIRST NOTICE letter.
 - b. A monetary penalty of \$75.00 will be levied on the Owner's account if the violation has not been corrected by the deadline date contained in the first NOTICE TO FINE NOTICE.
 - c. A monetary penalty of \$100.00 will be levied on the Owner's account if the violation has not been corrected by the deadline contained in the second INTENT TO FINE NOTICE.
 - d. A monetary penalty of \$125.00 will be levied on the Owner's account if the violation has not been corrected by the deadline date contained in the third and additional INTENT TO FINE NOTICES. Monetary penalties of \$100.00 per notice will continue to be imposed each time the violation is not corrected by the respective notice deadline.
- 10. All assessed monetary penalties shall be enforced in the same manner as unpaid assessments and subject to the same collection procedures. Pursuant to Article VII, section 7 of the Declaration, the Board may also take legal action to require the Owner(s) to comply with the provisions of the Association's Community Documents.
- 11. Any monetary penalty that is disputed will not be subject to late fees until a final decision is made by the Board of Directors.

IT IS FURTHER RESOVLED TH supersedes in all respects all prior resolution Community Documents and that a copy of resolution shall be effective as of the	this resolution be sent to all Owners This
	Director
	Director
	Director
	Director

Director

THUNDERBIRD VISTAS HOMEOWNERS ASSOCIATION

Assessment Collection Policy

Pursuant to the Arizona Planned Communities Act §§ 33-1803 and 1807 and Article VII of the Declaration of Covenants, Conditions and Restrictions for Thunderbird Vistas (the "Declaration"), the following resolution is hereby adopted by the undersigned, being all of the directors of Thunderbird Vistas Homeowners Association (the "Association").

WHEREAS, Thunderbird Vistas has authority pursuant to Article VII, Section 1 of the Declaration to levy assessments against the property;

WHEREAS, the Board of Directors of Thunderbird Vistas Homeowners Association (the "Board") finds there is a need to establish orderly procedures for the collection of assessments levied against properties that remain unpaid beyond the prescribed due dates;;

NOW THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owning by the Owners of Thunderbird Vistas Homeowners Association, and to be known as the "Assessments Collection Policy" for the Association in the discharge of its responsibilities regarding collection of assessments levied against properties:

- 1. POLICY OBJECTIVE: The collection of assessments pursuant to the Declaration and this Assessment Collection Policy will be governed by the following objective:
- a. The Association will pursue collection, in a uniform manner, of all annual assessments, special use fees, special assessments, benefited assessments, maintenance fees working capital fees, and transfer fees which are due to the Association collectively referred to in this policy as assessments.
 - b. The Association assessments are due on an annual basis.
- c. At each step within the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the expedient course of action.
- 2. DUE DATE and DELINQUENT DATE: Per the date established by the Board, annual assessments are due on June 30. The annual assessment is considered late if not received by July 15th. In the event of a conveyance, the pro-rated assessment shall be due the first day of the month following conveyance of the lot, and shall be considered late if not received by the 15th of the day of the month following conveyance of the lot.

- 3. HANDLING CHARGES and RETURNED CHECK FEE: In order to recoup costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of the Collection Policy:
- a. Any handling charges, administrative fees, postage, or other expenses incurred by the Association in connection with the collection of any assessment or related among owing beyond the Delinquency Date for such assessment will become due and owing by the Owner responsible for the unpaid assessments.
- b. A \$25.00 charge will become due and payable for any check tendered to Thunderbird Vistas Homeowners Association, which is dishonored by the drawee of such check. The charge is in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments and is subject to change by the Board from time to time.
- c. Pursuant to Article VII, Section 1, of the Declaration, the Assessment Lien shall be deemed to secure all assessments and charges to be established and collected and the Association's costs, collection costs and reasonable attorney's fees.
- 4. APPLICATION OF FUNDS RECEIVED: All monies received by the Association will be applied to amounts outstanding to the extent of and in the following order:
 - a. First to unpaid assessment amount and/or assessments
- b. Second to lien fees, court costs, and attorneys' fees and collection costs incurred by or on behalf of the Association
 - c. Third to late fees
 - d. Last to monetary penalties (fines).
- 5. OWNERSHIP RECORDS: All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of the Property for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. It is the owners' responsibility to notify the Association in writing of any changes related to ownership or mailing addresses for the owner.

6. NOTIFICATION TO OWNER:

a. LATE FEE: No sooner than sixteen (16) days after the due date, the Association will assess a late fee of ten percent (10%) of the unpaid assessment balance to the Owner's account.

- b. INITIAL DEMAND LETTER: No sooner than thirty (30) days after the due date, the Association will send a Demand Letter to the Owner making a formal demand for immediate payment of all outstanding amounts. An administration fee of \$25.00 will be assessed to the Owner's account.
- c. LIEN AND REFERRAL TO COLLECTIONS ATTORNEY: In the event that the debt remains unpaid, the Board will cause to be prepared and recorded with the County Recorder a written notice of Lien. The assessments, together with interest, costs, and attorneys' fees will be a lien upon the property until the amount due and owing is paid in full. The Association may also, at any time, turn the matter over to the Association's attorneys for collection. The Owner will be responsible for all attorneys' fees and costs incurred in collecting the debt.
- 7. ALTERNATIVE COLLECTION COURSES: At each step in the collection process the Board, acting with input and recommendation from management and counsel, will evaluate which course of legal action appears to be in the best interest of the Association for recovery of unpaid assessments. Where foreclosure of the assessment lien in favor of the Association, together with pursuit of personal judgment against the Owner, is determined to be advisable, the Board will direct counsel to proceed accordingly.

IT IS FURTHER RESOLVED THAT this Assessment Collection Policy replaces and

assessments by Inunderbird Vistas Hor	resolutions with respect to the collection of neowners Association. This resolution is adopted derbird Vistas Homeowners Association by a day of, 200
President	Vice President
Secretary	Treasurer
Director	