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Caballeros Homeowners Association

**THIRD AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
FOR
CABALLEROS HOMEOWNERS ASSOCIATION**

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THIS THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CABALLEROS HOMEOWNERS ASSOCIATION (the “Declaration”) is made this 16th day of March, 2022, by the Caballeros Homeowners Association, an Arizona nonprofit corporation (the “Association”).

RECITALS

A. Caballeros Homeowners Association consists of that certain real property located in Maricopa County, Arizona, described on Exhibits A, A1, and A2 attached hereto and depicted on Exhibit B attached hereto (collectively, the “Covered Property”).

B. All or portions of the Covered Property are or have been, at various times, subject to: (1) the Declaration of Covenants, Conditions and Restrictions for Caballeros Homeowners Association, Inc. dated March 7, 1996 and recorded in the Official Records of Maricopa County at Document Number 97-0161587, as amended by the Amendment to Declaration of Covenants, Conditions and Restrictions Caballeros Homeowners Association, Inc. dated April 28, 2003 and recorded in the Official Records of Maricopa County at Document Number 2005-0276940; (2) the Declaration of Covenants, Conditions and Restrictions for Rancho de los Caballeros, Unit Three dated August 31, 1994 and recorded in the Official Records of Maricopa County at Document Number 1994-0657006; (3) the Declaration of Restrictions recorded in the Official Records of Maricopa County at Docket 16472, Page 574 et seq.; (4) the Declaration of Restrictions recorded in the Official Records of Maricopa County at Docket 5956, Page 43 et seq., as amended by that Amended Declaration of Restrictions recorded in the Official Records of Maricopa County at Docket 6077, Page 472 et seq.; and (5) the First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rancho Los Caballeros dated May 17, 2010 and recorded in the Official Records of Maricopa County at Document Number 2011-0041029, as amended by the First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions dated March 24, 2011 and recorded in the Official Records of Maricopa County as Document Number 2011-0258139 (collectively, the “Prior Declarations”).

C. The Prior Declarations were replaced by the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rancho Los Caballeros dated February 12, 2018 and recorded in the Official Records of Maricopa County at Document Number 2018-0105022 that governs all of the Covered Property (the “2018 Declaration”).

D. Pursuant to Article V, Section 5.2 of the 2018 Declaration, and A.R.S. § 33-1817, the 2018 Declaration may be amended, changed or modified at any time by the affirmative vote or written consent of Owners holding not less than a majority of the Eligible Vote.

E. This Declaration was approved in accordance with A.R.S. § 33-1817 and Article V, Section 5.2 of the 2018 Declaration.

NOW, THEREFORE, the 2018 Declaration is of no further effect and is hereby deleted, amended and restated by this Declaration as follows:

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ARTICLE 1

DEFINITIONS

1.1 “Architectural Standards” means those architectural standards set forth and included in Article 7.

1.2 “Articles” means the Articles of Incorporation for the Caballeros Homeowners Association, Inc., an Arizona nonprofit corporation.

1.3 “Assessments” means as described in Article 4.

1.4 “Association” means the Caballeros Homeowners Association, Inc., an Arizona nonprofit corporation organized to administer and enforce this Declaration, its successors and assigns. The Association is not affiliated with and is a separate entity from the Rancho de los Caballeros Ranch and Golf Club, LLC, an Arizona corporation, which owns the golf course, resort, and developed and undeveloped land located adjacent to portions of the Covered Property. The Association also is not affiliated with the Caballeros Water Company, an Arizona corporation

1.5 “Board” means the Board of Directors of the Association.

1.6 “Bylaws” means the Bylaws for the Association, as amended from time to time.

1.7 “Declaration” means this Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for Caballeros Homeowners Association, as amended from time to time.

1.8 “Design Guidelines” means the architectural, landscaping, lighting and other design standards from time to time proposed by the Design Review Committee and approved by the Board pursuant to Article 7.

1.9 “Design Review Committee” means the committee created pursuant to Article 7.

1.10 “Dwelling Unit” means any building or structure or any portion of any building or structure situated upon a Lot which is intended for use and occupancy as a residence for a Single Family, including without limitation, condominium units, townhouses, and single family detached houses.

1.11 “Eligible Votes” means, pursuant to the Bylaws, the total votes allocated to the Owners, except for any votes allocated to Owners whose voting rights have been suspended by the Association pursuant to the Bylaws.

1.12 “Governing Documents” means this Declaration, the Bylaws, the Articles of Incorporation, the Rules, the Design Guidelines and all other rules, guidelines, policies and resolutions adopted or promulgated by the Association.

1.13 “Grandfathered” means: (a) all Improvements and lighting on Lots that existed as of the date this Declaration was recorded; and (b) as otherwise set forth in this Declaration and the Design Guidelines. All such Grandfathered Improvements and lighting shall be deemed approved as of the date this Declaration was recorded.

1.14 “Improvement” means, without limitation, (a) a Residence or other building; (b) a fence or wall; (c) a below ground swimming pool; (d) a garage, road, driveway, or parking area; (e) a tree, plant, shrub, grass or other landscaping improvement of any type and kind; (f) a statuary, fountain, artistic work, craft work, figurine, or ornamentation of any type of kind; and (g) any other structure of any type, kind, or nature.

1.15 “Lessee” means a lessee of land owned by Rancho de los Caballeros Ranch and Golf Club, LLC, or its successor (collectively the “Ranch Company”) and located in the portion of the Covered Property depicted on the attached Exhibit B, known as “South Mesa,” which lessee has constructed or intends to construct a Residence.

1.16 “Lot” means any area of land within the Covered Property that is: (a) designated as a lot on an original recorded subdivision plat; (b) otherwise legally created and identified by a tax parcel number and on which a Residence may be lawfully constructed; or (c) leased by the Rancho de Los Caballeros Ranch and Golf Club, LLC, a Lessee or sold by the Rancho de Los Caballeros Ranch and Golf Club, LLC to an Owner in the “South Mesa” portion of the Covered Property and on which a Residence is or may be lawfully constructed.

1.17 “Owner” means the record holder of legal title to the fee simple interest in any portion of the Covered Property but excluding those who hold title merely as security for the performance of an obligation. In the case where the fee simple title is vested of record in a trustee pursuant to A.R.S. 33-801 et seq. (as amended from time to time), legal title shall be deemed to be in the Beneficiary. For purposes of this Declaration, “Owner” also shall include any Lessee.

1.18 “Person” means an individual, corporation, partnership, trustee or other entity capable of holding title to real property, and their respective heirs, personal representatives, successors and assigns

1.19 “Private Roads” means as described in Article 5.

1.20 “Private Areas” means those areas fully enclosed inside private site or patio walls, fences and gates of a Residence on a Lot.

1.21 “The Ranch” means, collectively, the Rancho de los Caballeros Ranch and Golf Club, LLC and any successor entities.

1.22 “Residence” means a structure designed and intended for use and occupancy as a residence by a Single Family.

1.23 “Resident” means an Owner, members of the immediate family of each Owner actually living in the same household with such Owner, any person temporarily occupying any Residence with the permission of the Owner, and the guests or invitees of any Owner to the extent necessary to enforce the provisions of this Declaration.

1.24 “Rules” means the rules and regulations and all other policies and resolutions governing the Association, adopted by the Board, as amended from time to time, as described in Article 2.

1.25 “Single Family” means one or more persons who have an ownership interest in or maintain a household together in a Dwelling Unit and who regularly occupy the Residence as a primary or seasonal residence.

1.26 “Tract or Parcel” means any land within the limits of the Covered Property that is not a Lot.

1.27 “Transitional Desert Area” means all areas outside the Residence and private areas and within the property lines of any Lot.

1.28 “Unrelated Persons” means purchasers or holders of such rights of use or occupancy, whether by owning a fee title interest, or by holding some other right or interest, or some other right of occupancy, whether or not any interest in the Lot is connected to said right, directly or indirectly, individually or through a corporation, partnership, limited liability company, trust or other entity, who are not related by blood, adoption, marriage or cohabitation. In calculating 2 or more Unrelated Persons, a husband and wife and their children (including the children of either spouse), or a family trust or any other entity comprised exclusively of the same people, shall collectively constitute only one Unrelated Person

1.29 “Vacant Lot” means a Lot on which a Residence is not located.

1.30 “Visible from Neighboring Property” shall mean, with respect to any given object, that the object is, or would be, visible to a person six feet tall, standing on the same plane as the object being viewed at a distance of 200 feet or less from the nearest boundary of the property being viewed.

References to Article numbers and Sections refer to Articles and Sections of this Declaration unless otherwise indicated. Words or references in the singular may refer to the plural, and conversely, depending upon context.

ARTICLE 2

ASSOCIATION STRUCTURE AND AUTHORITY

2.1 Purpose of Association. The Association shall be a nonprofit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Governing Documents. The Association may transact any and all lawful business for which corporations may be incorporated under the laws of the State of Arizona.

2.2 Articles and Bylaws. In addition to the rights and powers of the Association set forth in the Declaration, the Association and its Directors, Officers, employees, and agents shall have such rights and powers as are set forth in the Governing Documents and are not inconsistent with law. Such rights and powers may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law. If there is a conflict between the Articles and Bylaws and the provisions of the Declaration, the Declaration shall control. If there is a conflict between the Articles and Bylaws, then the Articles shall control.

2.3 Board of Directors and Officers. The affairs of the Association shall be conducted by the Board and such Officers as the Board may elect or appoint in accordance with the Articles and the Bylaws. The Board may also appoint various committees (which may consist, in whole or in part, of individuals who are not on the Board). Unless the Governing Documents specifically require the vote, approval or written consent of the Owners, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board.

2.4 Rules. The Board may, from time to time, adopt, amend and repeal rules and regulations as it deems reasonable and appropriate (the "Rules"), that shall have the same force and effect as if they were set forth in and were part of the Declaration, and shall be binding on Owners and all other Persons having any interest in, or making any use of, the Covered Property, whether or not actually received thereby. The Rules may include the establishment of a system of reasonable fines and penalties either within the Rules or in a separate document. The Rules shall govern such matters in furtherance of the purposes of the Association; provided, however, that the Rules shall not be inconsistent with the Declaration, the Articles, or Bylaws. .

2.5 Indemnification. To the fullest extent permitted by law, every director and officer of the Association, and every member of the Design Review Committee, shall be indemnified by the Association, and every other Person serving as an employee or direct agent of the Association, or on behalf of the Association as a member of a committee or otherwise, shall be indemnified by the Association, against all expenses and liabilities including, but not limited to, attorneys' fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which

he may be a party, or in which he or she may become involved, by reason of his or her being or having served in such capacity on behalf of the Association, or any settlement thereof, whether or not he or she is a director, officer or member of the Design Review Committee or serving in such other specified capacity at the time such expenses are incurred, provided that the Board shall determine, in good faith, that the Person to be indemnified hereunder did not act, fail to act, or refuse to act with gross negligence, fraudulent or criminal intent in the performance of his or her duties. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Persons may be entitled at law or otherwise.

2.6 Non-Liability of Officials. To the fullest extent permitted by the Arizona Nonprofit Corporation Act (set forth at A.R.S. § 10-3101 et seq., as may be amended from time to time), the Directors and Officers of the Association and the members of the Design Review Committee and any other committees of the Association, shall be exempt from liability to any Member, Owner, Resident, the Association and every other Person for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of drawings or specifications (whether or not defective), course of action, act, inaction, omission, error, negligence or the like made in good faith and which the director, officer, committee member, reasonably believed to be within the scope of their respective duties unless such damage or injury was caused by willful and wanton misconduct.

2.7 Relationship with Other Entities. The Association is authorized to enter into and terminate contracts or agreements with other entities, including The Ranch.

2.8 Purposes for which the Association's Funds may be used. The Association shall apply all funds and property collected and received by it (including Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for paying the cost to maintain and repair the Private Roads, perform its design review duties, and for the common good and benefit of the Association and the Owners and Residents. Some examples of these include, but are not necessarily limited to, acquisition, construction, alteration, maintenance and operation of all land, properties, improvements, facilities, services, projects, programs, studies and systems, within the Covered Property, which may be necessary, desirable or beneficial to the general common interests of the Association, the Owners, and Residents. All funds of the Association shall be deemed to be the sole property of the Association in its corporate capacity, and not trust funds, and the Association shall not be deemed to hold such funds as trustee or in any fiduciary capacity, except as expressly provided herein.

2.9 Property Subject to Declaration. The Covered Property together with all improvements, assessments, rights and appurtenances thereto, is hereby subject to this Declaration and shall run with the Covered Property, and shall be binding upon and inure to the benefit of the Association, all Owners, and their successors in interest. The legal description of the Covered Property is described on Exhibits A, A1, and A2 attached hereto and depicted on Exhibit B attached hereto.

ARTICLE 3

MEMBERSHIP

3.1. Membership. Every Owner of a Lot which is subject to Assessment shall be a member of the Association (“Member”) and shall have the rights and obligations set forth in the Governing Documents. If one or more than one person owns an ownership interest in a Lot, then they collectively as the Owner of the Lot shall designate and provide to the Association in writing the name and contact information for one individual, who shall serve as the primary point of contact between the Owner and the Association for notice purposes, including communications regarding dues and assessments. Each such membership shall be appurtenant to and may not be separated from ownership of the Lot to which the membership is attributable. A Member may not possess more than one membership in the Association but shall have the votes set forth in the Bylaws.

ARTICLE 4

ASSESSMENTS

4.1 Creation of Lien and Personal Obligation. Each Owner, by acceptance of deed or other conveyance of an interest in a Lot and/or title thereto, is deemed to covenant and agree to pay to the Association: uniform Regular Assessments, Individual Assessments, Special Assessments, and Reconstruction Assessments (individually and collectively referred to as “Assessments”). The Assessments shall be established and collected from time to time as provided in the Declaration. Each Assessment, together with interest thereon, late charges, all attorneys’ fees, court costs, and other costs of collection thereof, shall be the personal obligation of the Owner of the Lot when the Assessment becomes due. Each Assessment, together with interest, late charges, all attorneys’ fees, court costs, and other costs of collection thereof, shall also be a continuing lien (the “Assessment Lien”) upon any Lot against which the Assessment is made. The personal obligation for delinquent payments shall not pass to Owner’s successor in title unless expressly assumed by the successor.

4.2 Purpose of Assessments. The Assessments levied by the Association shall be used to promote the recreation, health, culture, safety and welfare of the Owners and Residents, to enhance the quality of life of the Owners and Residents, to pay the costs of maintaining and repairing the Private Roads and for administration of the Association and all other expenses incurred by the Association, and otherwise to further the interests of the Association.

4.3 Annual Assessments.

(a) Annual Calculation. Not later than as may be required by law, but in any event prior to the beginning of each fiscal year of the Association, the Board shall make and propose a budget for the upcoming fiscal year in an amount it deems sufficient to pay the cost to

maintain and repair the Private Roads, as well as an amount that the Board deems necessary to conduct the business of the Association, including, but not limited to, amounts necessary to fund insurance, utilities, a repair reserve fund, and other necessary operating and administrative expenses, as determined by the Board. The Board shall make the proposed budget available for review by Members. Subject to the provisions of Subsection (c), the Board shall at that time determine the amount of the Regular Assessments to be paid by each Owner for each Lot in accordance with the procedures set forth in Section 4.6. The Regular Assessments shall be included in the annual budget of the Association, and shall be approved as part of that budget by a majority vote of a quorum of Members eligible to vote present or by absentee ballot at the annual meeting.

The Board shall then notify each Owner of the amount of the Regular Assessment to be paid by him or her. In the event the Board fails to adopt a budget for any fiscal year prior to commencement of that fiscal year or fails to notify each Owner of the amount of the Regular Assessment, then until and unless the budget is adopted and notification is made, the budget and the amount of the Regular Assessment for the year immediately preceding shall remain in effect. Each Owner shall thereafter pay the Regular Assessments to the Association in installments at such regular intervals as may be fixed by the Board. Each installment shall be due and payable on the date specified by the Board.

(b) Adjustment During a Year. If the Board determines during any fiscal year that the total Regular Assessments for the current fiscal year are, or will become, inadequate to meet all Association expenses because of increased costs, new expenses or other cost increases or revenue shortfalls that were not considered when the budget was established, the Board shall then immediately determine the approximate amount of the inadequacy for the remainder of that fiscal year only and issue a supplemental estimate of the Association expenses and, subject to the limits set forth in Subsection (c), determine the revised amount of Regular Assessments to be paid by each Owner for the balance of the year, and the date or dates when due.

(c) Maximum Increase from Year to Year. In no event shall the Board increase Regular Assessments payable by Lots by more than 20% from one fiscal year to the next without the affirmative vote, or written consent, or any combination thereof of a majority of all Members.

(d) Obligation to Pay. Each Owner shall pay Regular Assessments as provided in this Article 4. Except as otherwise specifically provided herein, payment of Regular Assessments shall be in such amounts and at such times as determined by the Board for the purpose of paying and satisfying Association Expenses.

(e) Surplus Funds. The Association shall not be obligated to spend in any year all the sums received by it in any year (whether by way of Assessments, fees or otherwise), and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the Regular Assessment in the succeeding year if a surplus exists from a prior year and the Association may carry forward from year to year such surplus as the Board in

its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

(f) Reduced Vacant Lot Assessments. The Regular Assessment and Special Assessment for each Vacant Lot shall be one-half of the amount of the Assessment for each Lot that is not a Vacant Lot. Where a Vacant Lot has been partitioned pursuant to Article 6, the Owner of each part of such Vacant Lot shall be separately, and not jointly responsible for payment of Assessments for the part of the Vacant Lot owned by such Owner. By way of example only, if a Vacant Lot is portioned into two parts and each part is made a part of a contiguous full Lot, then the Owner of such contiguous full Lot shall pay the Assessment for the contiguous full Lot plus an additional amount equal to one-quarter of the Assessment for the portioned portion of the Vacant Lot.

Where a Vacant Lot is subsequently combined with an adjacent Lot on which there is residence, the newly combined Lot will thenceforth and forward be assessed an amount that is 1.5X the amount of the Assessment for each Lot that is not a Vacant Lot.

(g) Lessees. Notwithstanding anything to the contrary herein, with respect to a Lot leased by the Rancho de los Caballeros Ranch and Golf Club, LLC (or its successor) to a Lessee and on which a Residence is or may be lawfully constructed, the Lessee, not Rancho de los Caballeros Ranch and Golf Club, LLC (or its successor), shall have the sole obligation to pay the Assessments pursuant to this Article 4.

4.4 Individual Assessments. In addition to any other Assessments, the Board may levy an Individual Assessment against an Owner and the Owner's Lot. Individual Assessments may include, but are not limited to:

(a) Costs incurred by the Association in causing an Owner or the Owner's Lot or Parcel to be brought into compliance with the Governing Documents, including, but not limited to, legal fees, interest and other costs or charges which are incurred in connection therewith, regardless of whether suit is filed;

(b) Costs incurred by the Association as a consequence of the conduct of the Owner or Resident of a Lot, or their licensees, invitees, or guests in violation of the Governing Documents;

(c) Any fee, fine or penalty imposed against an Owner for any violation of the Governing Documents;

(d) Any other charge designated as an Individual Assessment in the Governing Documents; and

(e) Costs incurred by the Association in the event the Board undertakes to provide materials or services that benefit individual Owners or Lots, when such Owners accept those materials or services.

4.5 Special Assessments. Special Assessments may be required for any proper purpose, as determined by the Board, including an amount that the Board deems reasonable or necessary to fund capital items, major repairs to the Private Roads, or extraordinary expenses, as determined by the Board. All Special Assessments shall only be imposed after being approved by the affirmative vote, or written consent, or any combination thereof, of a majority of all Members. Special Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors.

4.6 Time and Manner of Payment; Late Charges and Interest. Assessments shall be due and payable by Owners in the manner and at the times as the Board shall designate. If not paid within 30 days after being due, the Assessment, or installment, shall be deemed delinquent. The Board may levy on delinquent Assessments a late charge equal to the greater of \$15.00 or 10% of the amount of Assessment, or installment. The delinquent Assessment, or installment, and the applicable late charge shall bear interest from the due date at a rate of 12% per annum, or any lesser rate determined from time to time by the Board, until paid. The Board may, in its discretion and without waiving the imposition of a late charge or interest in any other instance, waive the late charge and/or interest in any particular instance.

4.7 No Offsets. All Assessments shall be payable in the amount specified in the Assessment notice and no offsets against them shall be permitted for any reason including, but not limited to, a claim that (a) the Association, the Board, or any committee is not properly exercising its duties and powers as provided in the Governing Documents; (b) Assessments for any period exceed Association expenses; or (c) an Owner has made, and elects to make, no use of any portion of the Covered Property.

4.8 Homestead Waiver. To the extent permitted by law, each Owner hereby waives the benefit of any homestead or exemption laws of the State of Arizona now in effect, or in effect from time to time hereafter, to the extent of any liens created pursuant to the Declaration, whether the liens are now in existence or are created at any time in the future.

4.9 Procedures for Billing and Collection. The Board shall have the right to adopt procedures for the purpose of paying the Assessments and for the billing and collection thereof, provided that the procedures are not inconsistent with the Declaration. Any failure of the Association to send a bill to an Owner shall not relieve an Owner of his liability for any Assessment or charge under the Declaration. The Association shall be under no duty to refund any payments received by it even though the ownership of a Lot changes during an assessment period. Successor Owners shall be given credit for prepayments made by prior Owners.

4.10 Remedies of the Association for Nonpayment of Assessments. The Association shall have the right, at its option, to enforce collection of any delinquent Assessments together with interest thereon, late charges, all legal fees whether or not suit is filed, court costs, and other costs of collection thereof in any manner allowed by law including, but not limited to, (a) bringing an action at law against the Owner personally obligated to pay the delinquent Assessments and such action may be brought without waiving the Assessment Lien against the Lot or (b) bringing an action to foreclose its Assessment Lien against the Lot in the manner provided by law for the foreclosure of a mortgage. Pursuing one enforcement remedy shall in no way limit any and/or all other legal remedies that the Association may pursue. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots purchased at that sale. Nothing in this Declaration shall be construed as requiring that the Association take any action described hereunder in any particular instance, and the failure of the Association to take action at any time shall not constitute a waiver of the right to take that action at a later time or in a different instance.

ARTICLE 5

MAINTENANCE

5.1 Roads. The private roads and shoulders within the Covered Property are located on Parcels owned by Rancho de los Caballeros Ranch and Golf Club, LLC (collectively, the “Private Roads”). The Association shall maintain the Private Roads, with the exception of McGuire Drive, the connector road (unnamed) between McGuire Drive and Middle and South Mesas, and other roads that primarily benefit property owned by Rancho de los Caballeros Ranch and Golf Club, LLC. All roads that are not the Private Roads will be maintained by the Rancho de los Caballeros Ranch and Golf Club, LLC or its successor or assignee. The Association will fund minor repair and maintenance of the Private Roads through a Regular Assessment charged to and paid by each Owner as set forth in Article 4. Major repair of the Private Roads will be funded by a Special Assessment as set forth in Article 4. The condition of the Private Roads and the level of maintenance and/or repair that the Private Roads receive will be determined by the Board.

5.2 Owner Maintenance of Landscaping. Each Owner shall keep neatly trimmed, properly cultivated and free from trash, weeds and other unsightly material, all shrubs, trees, hedges, grass, plantings and landscaping of every kind located on (a) the Owner's Lot or Parcel (including setback areas); (b) any other right-of-way or easement area that abuts the Owner's Lot or Parcel and is located between the boundary line of the Owner's Lot or Parcel and the paved area of any street. Each Lot or Parcel, including Transitional Desert Areas, shall be adequately cleared to keep free of fire hazards. Trimming and cultivation of shrubs and trees shall not be required in the Transitional Desert Areas. Each Owner shall also keep all areas on an Owner's Lot or Parcel free of vegetation that grows over the roads to enhance the ability of drivers to see oncoming traffic or pedestrians.

5.3 Owner Maintenance of Improvements. Residences and all Improvements on each Lot and Parcel shall be constructed and maintained in an attractive and sound condition in accordance with the above requirements. Any replacement required of old or worn-out driveways, equipment, fences, walls, and associated plumbing, or other Improvements, built and/or installed prior to the adoption of this Declaration, will also be done in accordance with the standards set forth herein. Structures damaged or destroyed by fire, storm, or other causes shall be repaired or removed with reasonable promptness, normally within 6 months, subject to any requirements of the Board.

5.4 Improper Maintenance and Use of Lots and Parcels. If the Board determines that any portion of any Lot or Parcel violates the Governing Documents, substantially detracts from the appearance or quality of the surrounding Lots and Parcels or other areas of the Covered Property, or constitutes a nuisance, the Board may, by resolution, make a finding to that effect, specifying the particular condition or conditions that exist, and give notice thereof to the offending Owner that unless corrective action is taken within the time frame set forth in the notice to the Owner, the Board may cause that action to be taken at the Owner's cost. If the requisite corrective action has not been taken by the deadline in the notice, the Board shall be authorized and empowered to cause that action to be taken and the cost thereof shall become an Individual Assessment against the offending Owner and his Lot. Notwithstanding the foregoing, if the Board believes that immediate remedial action is or may be necessary to avoid a risk of serious physical injury to individuals or property, the Board shall be entitled to take whatever action it may believe to be necessary to guard against or prevent the injury without being required to wait until after giving notice and time for corrective action to the affected Owner. The Association has an easement over the Lots and Parcels for the purpose of enforcing this Section and will not be liable for trespass for entering onto a Lot or Parcel to exercise its rights under this Section.

ARTICLE 6

USE RESTRICTIONS

6.1. Single Family Residential and Commercial Use.

6.1.1 All Lots shall be used, improved and devoted exclusively to residential purposes and shall be occupied only by a Single Family in accordance with the provisions of this Declaration.

6.1.2 No trade or business may be conducted on any Lot or in or from any Residence, except that the Owner, lessee, or other Resident of a Residence may conduct a business activity within the Residence so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residence; (b) the business activity conforms to all zoning ordinances and all other governmental requirements for the Lot or Parcel; (c) the business activity does not involve parking Motor Vehicles on the Lot or Parcel, persons coming on to the Lot or Parcel, or the door-to-door solicitation of Owners or other Residents; (d)

the business activity does not involve the delivery of products or other materials to the Lot or Parcel; (e) the business activity does not violate any provision of this Declaration; and (f) the business activity is consistent with the residential character of the Covered Property and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other Owners or Residents, as may be determined from time to time in the sole discretion of the Board. The terms “business” and “trade” as used in this Section shall be construed to have ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (a) the activity is engaged in full or part time; (b) the activity is intended to or does generate a profit; or (c) a license is required for the activity. The leasing of an entire Residence by the Owner thereof in compliance with the Governing Documents shall not be considered a trade or business within the meaning of this Section. Notwithstanding anything in this Declaration to the contrary, no Lot or Parcel may at any time be used or occupied as a store, shop, warehouse, factory, school, hotel, resort, bed and breakfast establishment, or other similar commercial enterprise. In addition, and notwithstanding anything in this Declaration to the contrary, the Rancho de los Caballeros Ranch and Golf Club, LLC may continue the current use of 2165 South Mesa Drive (identified as Lot 7 on Exhibit A) as a spa but may not expand such use.

6.2 Prohibition of Timesharing and other Fractional Interest Plans. No Lot or Residence may be used and/or occupied by any Person pursuant to any timesharing plan, fractional ownership interest plan, fractional private residence club plan, membership residential privilege plan, or any other similar type of plan (such prohibited plans shall be collectively referred to herein as a “Timesharing Plan”). For purposes of this Section, “Timesharing Plan” means the joint or common ownership, use and/or occupancy of a Lot or Residence by two or more Unrelated Persons during any calendar year for the primary purpose of allocating periodic use or occupancy of the Dwelling Unit among Unrelated Persons or their lessees, sublessees, assignees, or permittees on an ongoing basis over time pursuant to a timesharing plan, fractional ownership interest plan, membership plan, or similar arrangement, regardless of whether such arrangement constitutes a timesharing plan or timeshare interests under Arizona law or under the laws of any other particular state. Any type of joint use or occupancy plan that allows the use and/or occupancy of the Lot on an ongoing basis over time by two or more Unrelated Persons during any calendar year, whether or not the Lot is only owned by one Person, and whether or not currency or other form of compensation, trade, or barter is provided in exchange for the use of the Lot, is prohibited.

6.3 Leasing Restrictions – Short Term Rentals Prohibited. No Owner may lease less than an entire Residence. No Residence may be leased for a period of less than 7 consecutive days. No Residence shall be leased more than 4 times during a calendar year. No Residence shall be offered for lease on any rental websites including, without limitation, VRBO, HomeAway or Airbnb. The Board shall have the right to adopt rules and regulations governing the leasing of a Residence. All tenants shall be subject to the terms and conditions of the Governing Documents. Each Owner shall provide a copy of the Governing Documents to its tenants and shall cause its

tenants to comply with the Governing Documents and, to the extent permitted by applicable law, shall be responsible and liable for all violations and losses caused by such tenants, notwithstanding the fact that such tenants are also fully liable for any violation of each and all of those documents. The Association is a third-party beneficiary of any such lease solely for the purpose of enforcing this Declaration, and shall have the right to establish and impose fines against any Owner failing to enforce the provisions of the Governing Documents.

6.4 Utilities. No lines, wires, or other devices for the generation, communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Lot or Parcel 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 Association. No provision of this Declaration shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Association. No non-portable tanks for the storage of any substance, including gas, water, or fuel may be installed, whether aboveground or underground, after the date of this Declaration. Power generators are permitted for emergency purposes in accordance with the Design Guideline requirements.

6.5 Solar Energy Devices. Solar energy devices are permitted on a Lot, Parcel or Residence to the extent allowed by applicable law. The Board or Design Review Committee may adopt reasonable rules regarding the placement of a solar energy device on a Lot, Parcel, or Residence, provided that such rules do not prevent the installation of the device, impair the functioning of the device, restrict the device's use, or adversely affect the cost or efficiency of the device.

6.6 Signs. No person shall construct or maintain any sign, billboard or advertisement on any Lot without the prior, written approval of the Board, except:

- (a) Signs required by legal proceedings or that may be displayed in conformance with A.R.S. § 33-1808;
- (b) Signs expressly permitted by the Design Guidelines or Rules.
- (c) Signs displaying a security company.

6.6.1 No signs or other items shall be placed in a manner or location that would interfere with equestrian activities and vehicular traffic.

6.7 Motor Vehicles Operations and Parking. As used in this Section, "Motor Vehicle" means a car, van, sport utility vehicle, motorcycle, pickup truck, or similar passenger vehicle.

6.7.1 The Ranch. The Association recognizes that The Ranch owns and controls certain real property in the Covered Property, including the Private Roads and may impose rules and regulations on the Private Roads including speed limits and the operation of all vehicles including, without limitation, the operation of golf carts and all-terrain vehicles.

6.7.2 No Motor Vehicle shall be constructed, reconstructed or repaired upon any Lot, Parcel or street in the Covered Property, and no inoperable Motor Vehicle may be stored or parked on any street, Lot, or Parcel, except in the garage of a Residence. Motor Vehicles of all Owners and Residents shall be kept only in garages or the driveways. Guests and the invitees of Owners shall be entitled to keep their Motor Vehicles on driveways for any length of time, and on the streets in front of the Owner's Lot for a period of no greater than 48 hours during any 7 day period. No Motor Vehicle shall be parked in a manner that poses a pedestrian or vehicle safety hazard or restricts access to another Lot in a safe and convenient manner.

6.7.3 No motor home, recreational vehicle, all-terrain vehicle, mobile home, travel trailer, tent trailer, trailer, camper shell, boat trailer, horse trailer, or similar vehicle or equipment may be parked, kept or stored on any street, Lot or Parcel except in the enclosed garage of a Residence; provided, however, that such types of vehicles may be parked on the street in front of the Owner's Lot for a period not to exceed 48 hours in any 7 day period and shall not be parked in a manner that poses a pedestrian or vehicle safety hazard or restricts access to another Lot in a safe and convenient manner. No vehicle and trailer referenced in this Section shall exceed a combined 55 feet in length. Recreational vehicles under a length of 28 feet may be parked on the driveway of a Lot for a period not to exceed 72 hours in any 2 week period while the Owner is in residence providing they are not running motors, lights or generators. In this instance the permission to park such a vehicle on the street for 48 hours is revoked.

6.7.4 Only drivers holding a validly issued and current driver's license may operate any form of motorized vehicle on the Private Roads, if the operation of such does not constitute a nuisance under Section 6.9. Only motorized vehicles that are properly insured and contain current valid license and registration may be operated on the Private Roads and in accordance with posted speed limits.

6.8 Lights. No spotlights, floodlights or other high intensity lighting shall be placed or utilized upon any Lot, Parcel, or Residence in any manner that will allow light to be directed or reflected on any other property except as approved by the Design Review Committee. The Board may adopt additional rules and regulations regarding the use of such lights, including the time period the lights may be operated. All Lots and Parcels shall also comply with the Board approved Dark Sky Policy in the Design Guidelines.

6.9 Nuisances. No Owner shall permit or suffer anything to be done or kept about or within his Lot or Parcel, or anywhere else within the Covered Property, including, without

limitation, loud noises, whether emanating from vehicles or from Lots, that will unreasonably obstruct or interfere with the rights of other Owners, Residents or other authorized Persons, to use and enjoy his Lot or Parcel, or unreasonably annoy them by noises or otherwise, nor shall an Owner commit or permit any nuisance or commit or suffer any illegal act to be committed therein or thereabout.

From October 15 to May 15 of each year, no leaf blowers or other landscaping equipment shall be operated on a Lot prior to 8:00 AM or after 5:00 PM. The volume of music systems must be kept quiet enough so that they cannot be heard by the occupant of a neighboring Lot.

Each Owner shall comply with the Governing Documents and the requirements of all health authorities and other governmental authorities having jurisdiction over the Property. The Board, in its sole discretion, but subject to the provisions hereof, shall have the right to determine the existence of any unreasonable annoyance or nuisance under the Declaration.

6.10 Resubdivision. No Lot shall be resubdivided, split into smaller Lots, or otherwise conveyed or encumbered in less than the full original dimensions. However, this restriction shall not prevent the partitioning of a Lot so long as all parts thereof are attached to and made part of contiguous full Lots so that a Residence may not be constructed solely on the partitioned portion of such a Lot. Nothing herein contained shall prevent the dedication or conveyance of portions of Lots for utilities, or other public purposes, in which event the remaining portion of any such Lot shall, for all purposes, be treated as a full Lot.

6.11 Animals. No animal, including but not limited to any horse, bird, poultry, dog, cat, or livestock, other than a reasonable number of generally recognized house pets as established by the Board in accordance with this Section, shall be maintained on any Lot or Parcel. Animals are permissible only if they are kept or raised thereon solely as domestic pets and not for commercial purposes. No animal shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any animal shall be maintained outside the Private Area of a Residence on any Lot or Parcel. No animal shall at any time be permitted to be at large in the Covered Property, provided however, that dogs may be walked in compliance with the leash laws of applicable governmental entities, including but not limited to Maricopa County.

6.12 Antennas and Satellite Dishes. Direct Broadcast Satellite (“DBS”) antennas, Multi-point Distribution Service (“MDS”) antennas, Television Broadcast Signal (“TVBS”) antennas, antennas designed to receive and/or transmit data services, including Internet access, and masts less than 12 feet above the roof line, or devices that meet the 1996 FCC Rules and revisions thereof, which preempt deed restrictions, are permitted to be installed on a Lot or Residence, subject to any rules and regulations or guidelines as may be adopted by the Association. No other types of radio, television, wireless internet, microwave, or other antennas, or other devices for the reception or transmission of television, radio, microwave or other similar signals shall be placed or maintained upon any building or Lot, except as approved by the Design Review Committee and

with appropriate screening, including landscaping. If approval is granted, outside radio, microwave, television antennas or satellite dishes shall be located to be below the level of the roof line, or as unobtrusively as practicable, as viewed from the street side of the house. Detached antennas mounted on towers will not be allowed any higher than roof level. Obsolete or unused equipment on any Lot shall be removed by the Owner promptly.

6.13 Hunting and Discharging Firearms. Firearms may not be discharged within the Covered Property, except for safety and self-defense purposes.

6.14 Permanent Clothes Drying Facilities. Permanent, outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed, or maintained on any Lot or Parcel. Posts and hooks may be installed for temporary clotheslines, provided that such posts and hooks, as well as the drying laundry, may not be located in a manner so as to be Visible from Neighboring Property.

6.15 Flags and Flagpoles. No flag or banner may be displayed on any Lot or Residence except: (i) flags required to be displayed by law or ordinance; (ii) The American flag or an official replica of a flag of the United States Army, Navy, Air Force, Marine Corps or Coast Guard by an association member on that member's property if the American flag or military flag is displayed in a manner consistent with the federal flag code (P.L. 94-344; 90 Stat. 810; 4 United States Code sections 4 through 10); (iii) the POW/MIA flag; (iv) the flag of any state in the United States; (v) an Arizona Indian Nations flag; the Gadsden flag. No more than 3 flags may be displayed at once. Only one flagpole may be installed on any Lot, not to exceed the height of the rooftop of the Residence and shall not be closer than 30 feet from any Lot line.

6.16 Design Control. No Improvements may be installed or constructed, and no alterations, repairs, excavation, grading, landscaping or other work shall be made or done that in any way alters the exterior appearance of any property within the Covered Property, or the Improvements located thereon, without the prior approval of the Design Review Committee, except as otherwise expressly provided in the Declaration. No Improvement (including, but not limited to, exterior artwork, sculptures, statues and other works of art visible from any other Lot, Parcel or from any part of the Covered Property) shall be commenced, erected, maintained, improved, altered, or made without the prior written approval of the Design Review Committee. All subsequent additions to or changes or alterations to any Improvement, including exterior color scheme, and all changes in the grade of Lots or Parcels, shall be subject to the prior written approval of the Design Review Committee. No changes or deviations in or from the plans and specifications once approved by the Design Review Committee shall be made without the prior written approval of the Design Review Committee. The Design Review Committee may, in its discretion, waive this requirement for minor modifications as defined in the Design Guidelines.

6.17 Swimming Pools. Above-ground swimming pools are prohibited. All pool heaters and plumbing and air conditioning equipment shall be fully screened, walled in, or placed underground.

6.18 Aerial Devices. The operation of free or radio-controlled aerial devices, aircraft, helicopters, or drones is regarded as an invasion of privacy and hazard to equestrian activities and is prohibited within the Covered Property, except for survey, inspection or animal control services, with prior, written Board approval.

6.19 Violation of Law or Insurance. No Owner shall permit anything to be done or kept in or upon his Lot or Parcel or in or upon any portion of the Covered Property (without any implied right to do so) that will result in the cancellation, or increase in premium, or reduction in coverage of insurance maintained by the Association or that would be in violation of any law or other applicable requirement of governmental authorities.

6.20 Temporary Occupancy. No trailer, recreational vehicle, basement of any incomplete building, tent, shack, garage, barn, or temporary building or structure of any kind shall be used at any time for a temporary or permanent residence. Temporary buildings or structures used during the construction of any Improvement on any portion of the Covered Property shall be removed immediately after the completion of such construction.

6.21 Right of Entry onto a Lot. From time to time, one or more members of the Board and/or the Design Review Committee, who may also be accompanied by one or more of their consulting professionals, may need to inspect the exterior aspects of an Owner's construction project during the period of construction and prior to occupancy for the purpose of determining for compliance with the Declaration or Design Guidelines. This is permitted after reasonable advance notice has been provided to the Owner.

6.22 Changes to the Land and Drainage. Except during construction of a Residence, there shall be no grading, landfilling or removal of soil in a manner that substantially affects the natural drainage or contours of the land. Any such changes to the land must be in compliance with all applicable laws and must be approved by the Design Review Committee.

6.23 Sport Courts. Tennis courts, basketball courts, platform tennis courts, paddle ball courts and pickle ball courts are prohibited on Lots.

6.24 Solicitations. No solicitations of any type are allowed on the Covered Property.

6.25 Variances. The Board may, at its option, grant variances from the restrictions set forth in this Article 6 that are not otherwise addressed in the Design Guidelines if the Board determines, in its discretion, (a) either (i) that a restriction would create a substantial hardship or burden on an Owner or Resident, or (ii) that a change of circumstances since the Recordation of the Declaration has rendered the restriction obsolete, and (b) that the activity permitted under the variance, in the reasonable opinion of the Board, will not have any substantial adverse effect on the Owners and Residents of the Property and is consistent with the high quality of life intended for Residents of the Property. Prior to granting a variance, the Board shall notify the neighboring

Lot Owners of the variance request; provided, however, that no Owner shall have the right to veto any decision of the Board in granting a variance. The granting of a variance by the Board shall not be deemed to constitute a waiver of any right to withhold approval of any similar request for a variance.

ARTICLE 7

ARCHITECTURAL AND LANDSCAPE CONTROL

7.1 Appointment of Design Review Committee. Except as provided herein, the Association may have a Design Review Committee consisting of no less than three nor more than seven individuals, as specified from time to time by the Board. As required by Arizona law, the Board shall designate a member of the Board to serve as the Design Review Committee Chairperson, who shall be responsible for setting the Committee schedule and agenda and coordinating with the Committee staff for preparation of submittals, reviews, and written decisions. All members of the Design Review Committee shall be appointed by the Board and may be removed, at any time, by the Board. One ex-officio member of the Design Review Committee may be appointed by the Rancho de los Caballeros Ranch and Golf Club, LLC, subject to the approval of the Board. All other members of the Design Review Committee must be Owners. In the absence of a Design Review Committee, the Board shall operate as the Design Review Committee.

7.2 Design Guidelines. Subject to any applicable provisions of the Bylaws, the Board may establish procedures, architectural, lighting and landscape standards and design guidelines for the Lots and Parcels (the "Design Guidelines"), which the Design Review Committee may, subject to approval by the Board amend, repeal or augment so long as the Design Guidelines, as amended, repealed or augmented, are consistent with the Declaration, and are in harmony with the general aesthetics of the Property. The Design Guidelines are hereby incorporated into the Declaration and shall be deemed to be a part of the Declaration and shall be binding on all Owners, Members or other Persons as if expressly set forth herein. A copy of the current Design Guidelines shall at all times be a part of the Association's records. The Design Guidelines may include, among other things, those restrictions and limitations set forth below:

(a) Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required pursuant to the Design Guidelines;

(b) Procedures for assuring conformity of completed Improvements to drawings and specifications approved by the Design Review Committee; and

(c) Such other limitations and restrictions as the Design Review Committee, in its reasonable discretion, adopts, including, but not limited to, the regulation of all landscaping (including, but not limited to, prohibition of certain types of landscaping, trees and plants); construction, reconstruction, exterior addition, change or alteration to or maintenance of any

building, structure, wall or fence, including, but not limited to, the nature, kind, shape, height, materials, exterior color, surface texture, and location of any improvement; and exterior artwork and works of art visible from other Lots, Parcels, or other areas of the Covered Property, including, but not limited to, sculptures and statues.

7.3 Fees and Deposits.

(a) The Association may assess fees in connection with the Design Review Committee's review of drawings and specifications, if needed for consultation with professionals. The fee shall be an amount incurred by the Design Review Committee that is charged by such professionals. The fees shall be payable by the Owner at the time the applications and submittals for approval are submitted to the Design Review Committee or other appropriate time, and as provided in the Design Guidelines.

(b) The Association shall also have the right to require a construction deposit to ensure compliance with the Declaration, Design Guidelines, the approved plans, and to protect the Association against damage to the Private Roads. The amount of the deposit shall be determined from time to time by the Board as set forth in the Design Guidelines. The deposit shall be payable at the time the applications and submittals for approval are submitted to the Design Review Committee, as provided in the Design Guidelines. When the Improvements are complete, the Owner shall be eligible for refund of all or a portion of the deposit, without any interest thereon, upon written request to the Design Review Committee and once the Design Review Committee has confirmed that all Improvements have been completed in accordance with the plans and specifications approved by the Design Review Committee. The Owner shall have no right to demand return of the deposit and the Association shall have no obligation to refund the deposit until 30 days after the Design Review Committee has issued its final construction approval in writing. All or a portion of the deposit may be withheld for any of the following purposes: (i) to repair any portion of the Private Roads or Covered Property damaged or destroyed by the Owner, its agents, or contractors; (ii) for additional costs and fees incurred by the Association due to incomplete or non-compliant Improvements (including, but not limited to, follow up inspections); (iii) to pay for fines levied for violations related to the Improvements covered by the deposit; (iv) to pay for fines levied for violations committed by vendors or contractors providing goods or services during the course of construction of the Improvement. The Association's costs of repairing any damages to any areas in the Covered Property for which the Association is responsible beyond the construction deposit shall be paid by the Owner upon demand from the Association and any sum not paid by an Owner shall be an Individual Assessment. The construction deposit may also be subject to forfeiture pursuant to guidelines set forth in the Design Guidelines.

7.4 Obligation to Obtain Approval and Conformity of Drawings and Specifications. No building, fence, wall or other structure or exterior Improvement shall be commenced, erected or maintained upon the Property, nor shall there be any addition to or change to the exterior of any Residence or other structure or exterior Improvement upon a Parcel or a Lot,

or to the landscaping, grading or drainage thereof, including, but not limited to, the painting of exterior walls, patio covers and fences, except in compliance with the drawings and specifications that have been submitted to and approved by the Design Review Committee. The Design Review Committee may in its discretion waive this requirement for minor modifications as defined in the Design Guidelines.

7.5 General Provisions.

(a) The Design Review Committee may delegate its review responsibilities for drawings and specifications, except final review and approval, to one or more of its members or to architectural, design, solar or construction consultants retained by the Association. Upon such delegation, the interim approval or disapproval of drawings and specifications by the member or consultants shall be equivalent to interim approval or disapproval by the Design Review Committee.

(b) The address of the Design Review Committee shall be the address established for giving notice to the Association, unless otherwise specified in the Design Guidelines or by written notice to Owners. The address shall be the place for the submittal of drawings and specifications and the place where the current Design Guidelines shall be kept.

(c) The Design Review Committee shall approve or disapprove any drawings and specifications submitted to it in accordance with the Design Guidelines. In the event that the Design Review Committee fails to approve or disapprove an application for approval within 45 days after the complete application, together with all supporting information, plans and specifications requested by the Design Review Committee have been submitted for approval, this Section will be deemed to have been complied with by the Owner who requested approval of such plans. The Design Review Committee shall have 10 business days after approving or disapproving the plans at the end of the 45-day review period to notify the Owner of the Design Review Committee's decision.

(d) The approval by the Design Review Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Design Review Committee under this Declaration or the Design Guidelines, 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.

(e) Any consent or approval of the Design Review Committee that is required under the Declaration shall not be effective unless it is in writing and signed by the Design Review Committee or the Person to whom responsibility for the particular consent or approval has been delegated under this Section.

(f) Failure of the Design Review Committee or the Association to act on its own initiative on an apparent violation of these provisions does not imply approval of the violation, or limit its future action in the event of a valid complaint.

7.6 Review of Plans.

a. In reviewing plans and specifications, the Design Review Committee may consider any and all factors which the Design Review Committee determines to be relevant including, but not limited to: (i) the harmony of the proposed improvements with existing Improvements in the Covered Property or with improvements previously approved by the Design Review Committee but not yet constructed; (ii) the location of the proposed Improvement in relation to existing topography, finished grade elevations, roads, and other structures; (iii) the exterior design, finish materials and color of the proposed improvements; (iv) adherence to a dark sky lighting policy; and (v) compliance of the proposed Improvement with this Declaration; and (vi) input from other Owners.

b. Decisions of the Design Review Committee may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and attractiveness of certain improvements. Each Owner agrees that the decision of the Design Review shall be final on all matters submitted to it pursuant to this Declaration, subject to an appeal of the decision to the Board using the procedures in the Design Guidelines. The decision of the Board shall be final and binding.

c. The approval required of the Design Review Committee pursuant to this Article 7, which shall not unreasonably be withheld, shall be in addition to, and not in lieu of, any approvals or permits which may be required under any federal, state or local law, statute, ordinance, rule or regulation, and shall be obtained prior to submitting a request for approval to Maricopa County or the Town of Wickenburg if the Covered Property is annexed into the Town of Wickenburg, as applicable.

7.7 No Warranty; Non-liability for Approval of Drawings and Specifications. Approval of the Design Review Committee is required for all drawings and specifications as to style, exterior design, appearance and location. The Design Review Committee is not responsible to approve for engineering design, drainage specifications, or compliance with zoning and building ordinances. The approval by the Design Review Committee of any plans or specifications shall not be deemed a warranty or representation by the Design Review Committee as to the quality of such plans or specifications, or that the construction or modification of any improvements conforms to any applicable building codes or other federal, state or local law, statute, ordinance, rule or regulation. By approving drawings, plans and specifications neither the Design Review Committee, nor any member thereof, nor the Association, nor any Member, nor the Board, nor any officer or director of the Association, nor any consultant utilized by the Association, Board or Design Review Committee, assumes any liability or responsibility therefor, or for any defect in

any structure constructed from those plans, drawings and specifications. Neither the Design Review Committee, nor any member thereof, nor the Association, nor any Member, nor the Board, nor any officer of the Association, nor any consultant utilized by the Association, Board or Design Review Committee, shall be liable to any Owner or other Person for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved drawings and specifications; (c) the change in the size, configuration or location of any building envelope or the changing of the natural grade of any Lot or the effectiveness of any drainage systems; (d) the execution and filing of any estoppel certificate pursuant to the Design Guidelines, whether or not the facts therein are correct. Approval of plans, drawings and specifications by the Design Review Committee, or the approval of any change in the size, configuration or location of any Building Envelope, or a change in natural grade of any Lot is not, and shall not be deemed to be, a representation or warranty that those drawings, specifications or changes comply with applicable governmental ordinances or regulations including, but not limited to, zoning ordinances and building codes.

7.8 Inspection and Recording of Approval. Upon completion of a construction project previously approved by the Design Review Committee in accordance with the provisions of Article 7.4, and at the request of the Owner, the Design Review Committee shall cause a final inspection to be undertaken within 30 days of such request. In conducting the inspection, the Design Review Committee and/or Board may also be accompanied by one or more of their consulting professionals retained to advise on the compliance of the project with the provisions of this Article 7. If the inspection reveals that the exterior Improvements or changes located on the Lot have been fully completed in compliance with this Article 7, the approved plans and the Design Guidelines, the Design Review Committee shall provide the Owner a notice of approval, which shall be conclusive evidence of compliance with the provisions of this Article 7.

7.9 Landscaping Materials. Landscaping materials shall be in conformance with the Design Guidelines. Indigenous native plant materials shall be used on each Lot or Parcel unless specific non-indigenous plants are approved by the Design Review Committee or as otherwise approved in the Design Guidelines. Landscape materials and other matters related to landscaping may be regulated by the Design Review Committee. Height or other restrictions on plant materials, including restrictions on fast-growing non-native species, such as Eucalyptus, may be imposed by the Design Review Committee as necessary for the protection of the views of others.

7.10 Architectural Standards. The architectural standards listed below (“Architectural Standards”) shall apply to all construction on Lots. The Association may also establish, as recommended by the Design Review Committee, such additional standards as it deems necessary and desirable to deal with architectural style, construction materials and methods, and related matters of community concern.

a. Height. All buildings and structures shall be no more than one story (exclusive of a basement) or more than 24 feet in height above the approved finished first floor height.

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

c. Construction Requirements. No newly constructed Residence shall be built having less than 3,000 square feet of interior floor area, exclusive of basement, porches, and garages. Furthermore, no Residence, excluding swimming pool, driveways or other paved areas as newly constructed or modified, shall occupy more than 15% of the total lot area; and should adjacent lots be combined, any Residence thereon shall not exceed 15% of the largest lot contributed to the combination. A Residence must include a garage that shall accommodate a minimum of two full-sized automobiles. Carports and other open free standing shade structures for vehicles are prohibited. Unless otherwise approved by the Design Review Committee, garage doors may not face the primary Private Road used to access the Residence.

d. Building Envelopes. For Lots and Parcels in Unit III on which a building envelope is delineated on a recorded subdivision plat or elsewhere, all areas outside such building envelope shall be maintained in their undisturbed natural state, unless written approval for supplementary landscaping or improvements outside the building envelope or modification of the boundaries of the building envelope is obtained from the Design Review Committee.

e. Accessory Buildings – Guest Houses and Garages. Buildings and structures detached from the Residence, including, but not limited to, sheds and tents are prohibited.

(i) Guest Houses. Guest houses shall be constructed and finished to match the architectural character, details, materials, textures and color(s) of the main residential building(s). Guest houses must be connected visually to the main Residence by a completely covered passageway such as a roof or by a patio wall, in an architectural style compatible with the Residence.

(ii) Garages. Garage doors shall not exceed 10 feet in height.

f. Setbacks and Building Envelopes.

(i) Building Setback Lines (Excluding South Mesa and Unit III)

All Residences, including attachments thereto, shall be located within the building setback lines. Building setback lines are defined as lines 40 feet from the front Property line (that line which abuts upon the street) and the rear Property line and 30 feet from the side Property lines. If applicable governmental regulations require greater setbacks, then such greater setbacks shall also be required by the Design Review Committee. Incursions of entrance stoops, decks, terraces, swimming pools, patios, steps, eaves, cornices and

gutters between Property Lines and setback Lines are not permitted unless approved by the Design Review Committee after a demonstration of the architectural merit, the prevention of possible drainage or erosion issues or other unusual circumstances justify such incursions.

(ii) South Mesa Setbacks

In the instance of new construction or major reconstruction on Lots leased or sold in the South Mesa portion of the Covered Property, setbacks shall be determined by the Design Review Committee in a manner that effects the exact same intent of this subsection.

(iii) Building Envelopes

Units I, II, Parcel X and South Mesa: the building envelopes are the same as the building setback lines.

Unit III: The plat for Unit III shows the building envelopes on the Lots. For Lots on which a building envelope is shown, no portion of a Dwelling Unit shall be constructed beyond these building envelopes. All areas outside the building envelopes shall be maintained in their undisturbed natural state, unless prior written approval for supplementary landscaping or additional improvements outside the building envelope is obtained from the Design Review Committee.

g. Walls and Fences. In order to preserve the free and open natural quality and aesthetic appearance of the community, fences and walls shall be limited to the types and styles that contribute to and are in keeping with the architectural character of the Residence and the other Residences within the Association, as determined by the Design Review Committee. Fenced or walled enclosures shall be limited to the types and styles appropriate to the purpose of the enclosure, except where required by law (such as a swimming pool).

Walls or fences shall be located within the building setback lines as defined in Article 7.10 (f) or along building setback lines. No site walls, patio walls, fences or gates shall be permitted at or along any Lot line or within the area between the property line and the building setback lines.

Walls and fences, if not part of the Residence or enclosures to conceal trash receptacles or utilities, shall not exceed 2 ½ feet in height. The maximum height allowed for any patio wall or fence may be modified, with the approval of the Design Review Committee, only if unusual natural terrain requires additional height for a limited portion of the wall. However, under no circumstances shall the height of such wall, other than the walls of the Residence, exceed 6 feet in height measured from the finished grade level outside the wall. Under normal circumstances this 6 foot height restriction will only be approved for retaining walls.

All patio walls shall be of masonry, adobe or other Design Review Committee approved permanent material and shall be an integral part of the design of the main residential building. Wood, chain link, barbed wire, plastic or similar fences and ocotillo fences are not permitted. Wrought iron view fencing and rebar “sticks in the desert” fencing is permitted.

A detailed drawing or drawings of the wall or fence showing its location and design shall be submitted to and approved in writing by the Design Review Committee prior to its installation.

h. Plumbing Installation. No residential structure shall be occupied prior to the installation of functioning interior plumbing, including flush toilets. All plumbing outlets, bathroom fixtures and other sanitary conveniences shall be connected to a septic system permitted and constructed in accordance with all applicable laws and ordinances or, if available, to sewer systems.

i. Smokestacks. The exterior portion of permanent barbecue smokestacks shall be enclosed with brick or stone masonry or with other suitable material compatible with the Residence, and shall not exceed 6 feet in height.

j. Driveways. All Lots must have their vehicular access on a dedicated street. Driveways and parking aprons shall be constructed of concrete, pavers, stabilized decomposed granite, chip seal (macadam) and other similar material approved by the Design Review Committee. Driveway colors must be compatible with desert landscape. A suitable edging of wood, rocks, or other similar material may be used to contain loose driveway material. In new construction, asphalt and sealcoat are not permitted. The material for driveway resurfacing must be approved in writing by the Design Review Committee prior to installation.

k. Colors. The exterior colors of all houses shall specifically be approved by the Design Review Committee.

7.11 Existing Residences and Improvements.

7.11.1 Existing Improvements on Lots. All existing Improvements on Lots as of the date this Declaration is recorded shall be deemed grandfathered with the exceptions of exterior paint colors on all Improvements, including Residences, garages, guest houses, walls and fences, as set forth in Section 7.12.2, and exterior lighting, as set forth in Section 7.12.3. Modifications to existing Improvements shall meet current Design Guidelines and require prior written approval by the Design Review Committee.

7.11.2 Exterior Paint Colors. Existing paint colors are not automatically grandfathered. Paint colors must meet current guidelines upon repainting as set forth in the Design Guidelines. Prior to repainting, the proposed color must be submitted to and approved by the Design Review Committee in writing before repainting commences.

7.11.3 Exterior Lighting. All existing exterior lighting on Lots as of the date this Declaration is recorded shall be deemed grandfathered; provided, however, that modifications or installations of new exterior lighting shall be in full compliance with the Board approved Dark Sky Policy set forth in the Design Guidelines.

7.12 Completion of Construction. All construction and improvements shall be diligently pursued and completed no later than 24 months after a building permit has been issued for the final approved plan by the Design Review Committee, unless the Design Review Committee grants an extension in writing after a written request is submitted by the Owner.

7.13 Construction Activities. Normal construction activities and parking in connection with the building and installation of structures, landscaping and other improvements on a Lot, Parcel, or the Covered Property shall not be considered a nuisance or otherwise prohibited by the Declaration unless they are in violation of the Design Guidelines or requirements of the Design Review Committee. Lots and Parcels and all portions of the Covered Property shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber, and other materials will be piled only in those areas approved by the Design Review Committee. In addition, any construction equipment, supplies and other materials stored or kept on the Covered Property during construction or installation of improvements may not be kept in the street and may be kept only in areas approved by the Design Review Committee, which also may require screening of these areas.

7.14 Dark Sky. The Association adheres to “dark sky” principles for outdoor lighting on Lots and Parcels. All Lots and Parcels shall follow the Board approved Dark Sky Policy as set forth in further detail in the Design Guidelines.

7.15 Variances by the Design Review Committee. The Design Review Committee, in its discretion, may allow reasonable variances and adjustments to overcome impractical difficulties and prevent unnecessary hardships in the application of Article 7 of the Declaration and the Design Guidelines; provided, however, that such is done in conformity with the intent and purposes of the Declaration and Design Guidelines and provided also that no variance or adjustment will be materially detrimental or injurious of other property or improvements in the Association. The Design Review Committee shall notify all neighboring Owners of any request for a variance and provide an opportunity for the neighboring Owners to express their views concerning the impact the variance will have on them. The Design Review Committee is not bound by any Owner’s views or opinions and remains the sole decider of whether to grant a variance. No Owner shall have the authority to veto any decision of the Design Review Committee. No variance approved by the Design Review Committee shall be effective until the variance is set forth in a written document signed by or on behalf of the Design Review Committee. No variance shall prevent the Design Review Committee from denying a variance in other circumstances.

ARTICLE 8

COMPLIANCE AND REMEDIES

8.1. Rights of Enforcement. The Association shall have the right (but not the obligation) to enforce the provisions of the Governing Documents and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in any contract, deed, declaration or other instrument concerning the Covered Property. This right of enforcement shall be in any manner provided for in the Governing Documents or by law or in equity, including, but not limited to, an action to obtain an injunction to compel removal of any Improvements constructed in violation of this Declaration or to otherwise compel compliance with the Governing Documents. The Association shall not be obligated to take any enforcement action if the Board determines, in its sole discretion, that because of any facts deemed relevant by the Board, enforcement action would not be appropriate or in the best interests of the Association. Furthermore, the failure of the Association to take enforcement action with respect to a violation of the Governing Documents shall not constitute or be deemed a waiver of the right of the Association to enforce the Governing Documents in the future. Nothing in this Section shall be deemed to deprive any Owner or other Person of any rights to enforce this Declaration that may otherwise exist under the law. Any Owner who receives a notice of violation of the Governing Documents shall have the right to appeal to the Board, subject to any rules and procedures adopted by the Board, and the decision of the Board in all cases shall be final and binding.

8.2 Costs of Enforcement. In the event the Association acts to enforce the Governing Documents, regardless of whether suit is filed, the Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith including but not limited to the Association's administrative costs and fees, including without limitation legal fees. Those legal fees, costs and expenses shall be the personal liability of the breaching Owner and shall also be an Individual Assessment secured by the Assessment Lien against that Owner's Lot or Parcel. If, however, a lawsuit is filed, and the Owner is the prevailing party in the lawsuit, the Owner shall not be required to pay the Association's legal fees, court costs, costs of investigation and other related expenses incurred therewith. If any lawsuit or administrative claim is filed by any Owner to enforce the provisions of the Governing Documents or in any other manner arising out of the Governing Documents or the operations of the Association, the prevailing party in that action shall be entitled to recover from the other party reasonable attorneys' fees, costs and related expenses incurred by the prevailing party in the action.

8.3 Notice of Violation. The Association shall have the right to record a written notice of a violation by any Owner or Resident of any restriction or other provision of the Governing Documents. The notice shall be executed by an Officer of the Association, or the Association's managing agent if authorized by the Board, and shall contain substantially the following information: (i) the name of the Owner or Resident violating, or responsible for the violation of, the Governing Documents; (ii) the legal description of the Lot or Parcel against which the notice

is being Recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being Recorded by the Association pursuant to this Declaration; and (v) a statement of the specific steps which must be taken by the Owner or Resident to cure the violation. Recordation of a notice of violation shall serve as notice to the Owner and Resident, and any subsequent purchaser of the Lot or Parcel, that there is such a violation. If, after the recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the violation referred to in the notice has been cured, the Association shall Record a notice of compliance which shall state the legal description of the Lot against which the notice of violation was Recorded, and the recording data of the notice of violation, and shall state that the violation referred to in the notice of violation has been cured or that the violation did not exist.

8.4 Remedies Cumulative. Each remedy available pursuant to this Declaration shall be cumulative and not exclusive.

ARTICLE 9

ANNEXATION

9.1 Annexation of Additional Real Property. With the approval of the Board, additional real property may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Association or its members, provided that supplemental covenants covering the property to be annexed, which incorporates by reference all of the provisions of this Declaration, shall be recorded. The recordation of said supplemental covenants shall constitute and effect the annexation of the property described therein, subjecting that property to this Declaration and to the functions, powers and jurisdictions of the Association, and thereafter said property shall be part of the Association and all intents and purposes of this Declaration. All owners of Lots and Parcels in the annexed property shall automatically become Association members in accordance with the provisions herein.

9.2 Annexation by the Town of Wickenburg. By the approval of owners representing one-half or more in value of the real and personal property and more than one-half of the persons owning real and personal property that would be subject to taxation by the Town of Wickenburg, or as otherwise provided by any applicable governmental law, code, or ordinance,, the Town of Wickenburg may annex the Covered Property into the Town of Wickenburg.

ARTICLE 10

INSURANCE

10.1 Authority to Purchase. The Board shall have the power and authority to purchase, with Association funds, the public liability, casualty, Officers' and Directors' liability and indemnity, workers' compensation and other insurance and fidelity bonds as the Board deems

necessary or appropriate from time to time. Policies shall be on terms and conditions as the Board shall direct. All policies and claims thereunder shall be administered by the Board.

10.2 Owner's Responsibility. It shall be each Owner's responsibility to provide any insurance on his own Lot or Parcel, additions and improvement thereto, furnishings and personal property, personal property stored elsewhere within the Property, personal liability and such other insurance as the Owner desires. The Association will not provide insurance that covers an Owner's Lot, Residence or any Improvements or personal property on a Lot.

10.3 Non Liability of Association, Board and Officers. Neither the Association, nor any Board member or Officer of the Association, shall be liable to any Owner, mortgagee or other person if any risks or hazards are not covered by insurance or if the amount of insurance is not adequate, and it shall be the responsibility of each Owner, mortgagee and other person to ascertain the necessary coverage and protection.

10.4 Premiums and Deductible. Premiums for insurance policies purchased by the Board shall be paid by the Association as a common expense, except that the amount of increase over any annual or other premium occasioned by the use, misuse, occupancy or abandonment of a Lot or Parcel or its appurtenances, or of the any area for which the Association is responsible for operating, maintaining or managing, by an Owner or Occupant or the agent, employee or invitee of either, shall be assessed against that particular Owner as an Individual Assessment. The Board shall have the authority to adopt reasonable rules and procedures for the payment of the insurance deductible.

10.5 Insurance Claims. The Association, through any persons the Board may delegate, is hereby irrevocably appointed and authorized, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing. The Board, at its discretion, may appoint an authorized representative, or enter into an insurance trust agreement wherein the trustee shall have authority, to negotiate losses under any policy purchased by the Board.

10.6 Benefit. All insurance policies purchased by the Board shall be for the benefit of, and any proceeds of insurance received by the Association shall be held or disposed of for the Association, or other interested persons, as their interests may appear.

ARTICLE 11

INDEMNIFICATION

11.1 Indemnification. To the fullest extent permitted by law, every Director and Officer of the Association, every member of the Design Review Committee, shall be indemnified by the Association, and every other person serving as an employee or direct agent of the

Association, or on behalf of the Association as a member of a committee or otherwise, may, in the discretion of the Board, be indemnified by the Association, against all expenses and liabilities including, but not limited to, attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having served in such capacity on behalf of the Association, or any settlement thereof, whether or not he is a Director, Officer or member of the Design Review Committee or serving in such other specified capacity at the time such expenses are incurred, provided that the Board shall determine, in good faith, that the person to be indemnified hereunder did not act, fail to act, or refuse to act with gross negligence, fraudulent or criminal intent in the performance of his duties. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such persons may be entitled at law or otherwise.

11.2 Non-Liability of Officials. To the fullest extent permitted by the Arizona Nonprofit Corporation Act (set forth at A.R.S. § 10-3101, et seq., as may be amended from time to time), the Directors and Officers of the Association and the members of the Design Review Committee and any other committees of the Association, shall be exempt from liability to any Member, Owner, Resident, the Association and every other person for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of drawings or specifications (whether or not defective), course of action, act, inaction, omission, error, negligence or the like made in good faith and which the Director, Officer, committee member reasonably believed to be within the scope of their respective duties unless such damage or injury was caused by willful and wanton or grossly negligent misconduct.

ARTICLE 12

AMENDMENTS; DURATION; TERMINATION

12.1 Amendment by Owners. This Declaration may be amended, changed or modified at any time by: (1) the written consent of a majority of Owners; or (2) the affirmative vote of Owners holding not less than a majority of the Eligible Votes. A certificate of amendment, setting forth the full amendment adopted, duly signed and acknowledged by the President or Vice President of the Association, shall be recorded in the official records of Maricopa County.

12.2 Amendment by the Board. Notwithstanding anything to contrary contained herein, the Board shall have the right to amend the Declaration without the approval of the Members solely for the purpose of complying with the law.

12.3 Effect of Amendment. It is specifically covenanted and agreed that any amendment to the Declaration properly adopted will be completely effective to amend any and all provisions of the Declaration that may be affected and any or all clauses of the Declaration, unless otherwise specifically provided in the section being amended or the amendment itself.

12.4 Challenge to Amendment. Any challenge to an amendment to this Declaration for reason that (i) the amendment was not adopted by the required number of Owners; or (ii) was not adopted in accordance with the procedures set forth in this Article; or (iii) is otherwise invalid, must be made within one year after the recording of the amendment.

12.5 Duration. This Declaration shall be effective upon the date of recordation and, as amended from time to time thereafter, and shall continue in full force and effect unless it is terminated.

12.6 Termination. This Declaration may be terminated by the affirmative vote of Owners holding not less than ninety percent (90%) of the Eligible Votes.

ARTICLE 13

GENERAL PROVISIONS

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

13.2 Notices. Notices to the Association provided for in the Governing Documents shall be in writing and shall be addressed to the Association at the address for the Association set forth in the notice filed with the Arizona Corporation Commission. The Association may designate a different address or addresses for notice by giving written notice to all Owners. If notice of any action or proposed action by the Association, the Board or any committee or of any meeting is required by applicable law, the Declaration or resolution of the Board to be given to any Owner or Resident then, unless otherwise specified herein or in the resolution of the Board or in the Bylaws, such notice requirement shall be deemed satisfied if notice of the action or meeting is mailed or emailed to each Owner to their address or email address of record with the Association, as the case may be, except as otherwise required by law. This Section shall not be construed to require that any notice be given if not otherwise required and shall not prohibit satisfaction of any notice requirement in any other manner.

13.3 Interpretation of Covenants. Except for judicial construction, the Association by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. Absent any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by this Declaration.

13.4 Gender. The singular, wherever used herein, shall be construed to mean the plural, when applicable and the necessary grammatical changes required to make the provisions hereof apply to either corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

13.5 Topic Headings. The marginal or topical headings in the paragraphs contained in this Declaration are for convenience only and do not define, limit or construe the contents of the paragraphs of this Declaration.

13.6 Captions and Exhibits; Construction. Captions given to various Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. Any exhibits referred to herein are incorporated as though fully set forth where such reference is made. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Covered Property as hereinabove set forth.

13.7 The Declaration. By acceptance of a deed or by acquiring any ownership interest in any portion of the Property, each Person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Covered Property 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, mortgagees, guarantors, purchasers, assigns and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the Association and the various subsequent and future Owners pursuant to the terms hereof.

13.8 References to the Declaration in Deeds. Deeds to, and instruments affecting, any Lot, Parcel or any part of the Covered Property may reference this Declaration; but regardless of whether any such reference is made in any deed or instrument, each and all of the provisions of this Declaration shall be binding upon the grantee/Owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns.

13.9 Arizona Law. The Governing Documents shall be subject to, and construed in accordance with, Arizona law.

13.10 Responsibility for Others. Owners hereby acknowledge and agree that they are fully responsible for the actions and inactions of the Owner's family, Residents, guests, licensees, invitees, vendors, tenants, and pets. If an Owner's family, Resident, guest, licensee, invitee,

vendor, tenant, or pet commits a violation of the Governing Documents, the Owner will be responsible in the same manner as if the Owner had committed such violation.

13.11 Power of Attorney. The Board may exercise all powers of the Association that are not required by the Governing Documents or applicable law to be exercised by the Owners and is deemed to be granted a power of attorney, coupled with an interest, for such purposes by each Member.

13.12 Laws, Ordinances and Regulations. Any violation of any state, municipal, or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Covered Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

13.13 Conflicts. If there is a conflict between the Articles and Bylaws and the provisions of the Declaration, the Declaration shall control. If there is a conflict between the Articles and Bylaws, then the Articles shall control. If there is a conflict between the Rules and the Articles, Bylaws or Declaration, the provisions of the Articles, Bylaws or Declaration shall control.

CABALLEROS HOMEOWNERS ASSOCIATION, an Arizona nonprofit corporation

By: Paul A Branstad
Its: President

IN WITNESS WHEREOF, the Caballeros Homeowners Association, an Arizona nonprofit corporation, has executed this Declaration as of the day and year first above written.

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 16 day of MARCH 2022, by Paul Branstad, President of Caballeros Homeowners Association, an Arizona nonprofit corporation.

Victoria Green
Notary Public

My Commission Expires:

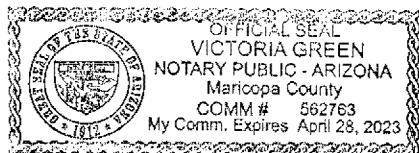


EXHIBIT A**Covered Property**Rancho de los Caballeros Unit I

Lots 1 to 27, inclusive, and roadways, Rancho de los Caballeros, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 110 of Maps, page 33.

Rancho de los Caballeros Unit II

Lots 28 to 53, inclusive, and Tracts A, B, C, and D, Rancho de los Caballeros Unit Two, according to the plat thereof recorded in the Office of the County Recorder of Maricopa County, Arizona, in two pages, in Book 24 of Maps, page 36.

Rancho de los Caballeros, Unit III

Lots 56 through 70, inclusive, and Tract A, Rancho de los Caballeros Unit Three, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 355 of Maps, page 1.

South Mesa

All lots in the unrecorded subdivision of Los Caballeros, situated in the South Half of the Northeast Quarter of Section 21, Township 7 North, Range 5 East, Gila and Salt River Base and Meridian, as more specifically described below:

Lot IA: For legal description see copy of property record# 20140257999 (Attached, Exhibit A1)

Lot 1: For legal description see copy of property record #20140036874 (Attached, Exhibit A2)

Lot 2: A parcel of land being situate in and a part of the South ½ of the Northeast ¼ (11/2NE1/4) of Section 21, Township 7 North, Range 5 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, and being more particularly described by metes and bounds as follows: beginning at the Southeast corner of herein described parcel, said point and corner being located at N 80°06'30"W, 1324.5656 feet from the Southeast corner of said S1/2NE1/4 of Section 21 (the East 1/4 corner of said Section 21, a 1 ½ inch iron pipe), thence from said Southeast corner of herein described parcel and the True Point of Beginning, N 72°14'15"W, 228.19 feet to a point and Southwest corner of herein described parcel; Thence N7°37'42"E, 30 9.88 feet to a point and Northwest corner of herein described parcel; Thence S82°18'58"E, 225.40 feet to a point and corner; Thence N 84°53'02"E, 23.00 feet to a point and Northeast corner of herein described parcel; Thence S 7°13'51"W, 132.04 feet to a point and corner; Thence S 7°45' 14"W, 224.81 feet to the True Point of Beginning, said herein parcel containing 1.74 acres, more or less.

Lot 3: Lot No. 3 as per plat, BEGINNING at the southeast corner of this lot, from which point the re-established East $\frac{1}{4}$ section corner of Sec. 21, T. 7 N. R. 5 W. bears S. $81^{\circ}09'$ E. 1549.78 feet; said re-established $\frac{1}{4}$ corner being situated S. $0^{\circ}15'$ W. 2644.1 feet from the Northeast corner of Sec. 21 of the lately executed U.S. Public Land RE-SURVEY; THENCE, from the said southeast corner; S. $74^{\circ}39'$ W. 163.2 feet to a point; THENCE N. $7^{\circ}46'$ E. 384.0 feet to a point; THENCE S. $82^{\circ}14'$ E. 150.0 feet to a point; THENCE S. $7^{\circ}46'$ W. 320.0 feet to the place of beginning, containing 1.21 acres more or less. This lot is more generally described as being situated in the S. W. $\frac{1}{4}$ of the N. E. $\frac{1}{4}$ Sec. 21 T. 7N. R. 5 W. Maricopa County, State of Arizona.

Lot 4: BEGINNING at the Southeast corner of this lot, from which point, the re-established East quarter section corner of Section 21, Township 7 North, Range 5 West of the Gila and Salt River Base and Meridian, bears South 83 degrees 24 minutes 30 seconds East 1699.95 feet; said re-established quarter corner being situated South 00 degrees 15 minutes North 2644.1 feet from the Northeast corner of Section 21 of the lately executed U.S. Public Land Re-Survey; THENCE from the said Southeast corner, North 82 degrees 14 minutes West 50.0 feet to a point; THENCE North 07 degrees 46 minutes East 384.0 feet to a point; THENCE South 82 degrees 14 minutes East 150.0 feet to a point; THENCE South 07 degrees 46 minutes West 384.0 feet to the place of beginning.

Lot 5: A portion of the Northeast quarter of Section Twenty-one (21), Township Seven (7) North, Range Five (5) West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona more particularly described as follows: BEGINNING at a point on the South line of said Northeast quarter of Section 21, said point being West 1886.8 feet from the Southeast corner thereof; Thence North 07 degrees 46 minutes East 220.1 feet to the TRUE POINT OF BEGINNING of the parcel herein described; Thence South 88 degrees 04 minutes West 157.32 feet; Thence North 07 degrees 46 minutes East 351.25 feet; Thence North 87 degrees 37 minutes East 157.54 feet; Then South 07 degrees 46 minutes West 352.5 feet to the TRUE POINT OF BEGINNING.

Lot 6: A portion of the Northeast quarter of Section 21, Township 7 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows: BEGINNING at the Southeast corner of said Northeast quarter of Section 21; Thence Westerly along the South line of said Northeast quarter a distance of 2042 feet; Thence North 07 degrees 46 minutes East 199 feet to the TRUE POINT OF BEGINNING of the tract herein described; Thence South 80 degrees 58 minutes West 167.95 feet; Thence North 07 degrees 50 minutes East 381.25 feet; Thence North 85 degrees 56 minutes East 163 feet; Thence South 07 degrees 46 minutes West 366.25 feet to the TRUE POINT OF BEGINNING.

Lot 7: LOS CABALLEROS, an unrecorded plat of a part of the South Half of the North Half of Section 21, Township 7 North, Range 5 West, Gila and Salt River Base and Meridian, located immediately west of Lot 6 and immediately east of Lot 8.

Lot 8: LOS CABALLEROS, an unrecorded plat of a part of the South Half of the North Half of Section 21, Township 7 North, Range 5 West, Gila and Salt River Base and Meridian, also described as: Commencing at the Southeast corner of the Northeast Quarter of Section 21, Township 7 North, Range 5 West, Gila and Salt River Base and Meridian; thence West (assumed bearing) along the quarter section line a distance of 2204.9 feet; thence North 7 degrees 50 minutes East a distance of 172.7 feet; thence North 84 degrees 25 minutes West a distance of 127.92 feet to THE TRUE POINT OF BEGINNING; thence North 79 degrees 22 minutes West a distance of 161.7 feet; thence North 6 degrees 31 minutes East a distance of 371.9 feet; thence South 83 degrees 29 minutes East a distance of 150 feet; thence South 10 degrees 03 minutes West a distance of 215.85 feet; thence South 1 degree 45 minutes East a distance of 169.2 feet to the TRUE POINT OF BEGINNING.

Together with:

Parcel X

That parcel of land located in the Southeast corner of Section 16, Township 7 North, Range 5 West, Gila and Salt River Base and Meridian, immediately southeast of Lots 40 and 41, Rancho de los Caballeros Unit II and immediately east of Lot 10, Rancho de los Caballeros Unit I.

EXHIBIT A1**Property Legal Description**

That part of the South half of the North half of Section 21, Township 7 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Beginning at the East quarter Section corner of said Section 21 which bears South 0 degrees 15 minutes West 2644.1 feet from the Northeast corner of said Section 21;

Thence West along the South boundary of the Northeast quarter of said Section 21, 980.15 feet;

Thence North 252.7 feet to the Southeast corner of a parcel of land described in Docket 689, Pages 21 to 27, inclusive, records of the County Recorder of Maricopa County, Arizona;

Thence North 14 degrees 24 minutes West along the Easterly side of said parcel of land 134 feet to the True Point of Beginning;

Thence South 63 degrees 48 minutes East 230 feet to a point;

Thence North 77 degrees 28 minutes East 180 feet to a point;

Thence North 14 degrees 24 minutes West 216 feet to a point;

Thence North 80 degrees 41 minutes West 387.5 feet to the Northeast corner of said parcel described in said Docket 689, Pages 21 to 27, inclusive;

Thence South 14 degrees 24 minutes East along the Easterly side of said parcel 216 feet to the True Point of Beginning.

EXCEPT the Westerly 20 feet of said lands.

EXHIBIT A2

That portion of the northeast quarter of Section 211 Township 7 North, Range .5 West, Gila and Salt River Meridian, Maricopa County, Arizona, being a portion of that certain parcel described under Recording Number 20130798004 in the office of the Maricopa County Recorder and shown on the Record of survey recorded under Recording Number 2011-0089410, described as follows:

BEGINNING at the southerly most corner of said parcel, marked with a found 1-Inch I.D. pipe with brass tag "LS 48100";

thence North 08°19'59" East, along the Basis of Bearing for this description, a distance of 224.89 feet to a found 1/2-inch rebar with cap "LS 48100";

thence North 17°54'17" East a distance of 192.44 feet to the northerly most corner of said parcel, marked with a set 1/2-inch rebar with cap "LS 48100";

thence South 73°35'18" East, along the boundary of said parcel, a distance of 155.77 feet to the northeasterly corner thereof, marked with a found 1/2-inch rebar with cap "LS 28730";

thence South 13°50'39" East, along the boundary of said parcel, a distance of 216.41 feet to an angle point, marked with a found 3/4-inch I.D. pipe with set brass tag "LS 48100";

thence South 13°53'34" East, along the boundary of said parcel, a distance of 108.24 feet to the southeasterly corner thereof, marked with a found 1/2-Inch rebar with cap "LS 48100";

thence North 82°15'36" West, along the boundary of said parcel; distance of- 52.17 feet to an angle point, marked with a found 1/2-inch rebar with cap "LS 28730";

thence South 82°30'29" **West**, along the boundary of said parcel, a distanca of 89.35 feet to an angle point, marked-with a found 1/2-inch rebart bent, with illegible pl stic cap and set brass tag -Ls 48100-;

thence South 17°43'16" West, along the boundary of said parcel, a distance of 53.60 feet to an angle point, marked with a found 1/2-inch rebar with cap "LS 48100";

thence South 88°11'31" West, along the boundary of said parcel, a distance of 63.41 feet to the POINT OF BEGINNING.

Containing 80,813 square feet (1.85 acres) more or less.

November 15, 2013

KWE 13-087

Parcel II (Portion APN. 505-44-00SL)

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EXHIBIT "B" Covered Property

