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97-0287982 04/30/97 04:31

CHRISTINA 1 OF 1

RIO VISTA HILLS

AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

RIO VISTA HILLS

COURT FILE NO. 97-0287982-0177

Jack Landels

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AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

RIO VISTA HILLS

RECITALS

This Amended and Restated Covenants, Conditions, and Restrictions for Rio Vista Hills (the "Declaration") is made as of January 22, 1996.

A. By that certain Declaration of Restrictions recorded September 10, 1973, in Docket 10304, Page 228 of the official records of Maricopa County, Arizona, (the "Original Declaration"), declarant imposed certain conditions, covenants, restrictions and created other property and contract rights burdening and benefiting the real property described in the Declaration and described on the attached Exhibit A (the "Property").

B. A purported amendment to the Original Declaration was recorded January 12, 1984, as Instrument No. 84-014743, but never received the approval of a majority of the Owners. To the extent necessary, the purported amendment is included within, and is amended and restated by this Amended and Restated Declaration.

C. Section 15 of the Original Declaration provided for the amendment of the Original Declaration by a majority of the Owners of the Property.

D. By a duly held vote of the Owners of the Property, in excess of fifty percent (50%) of the Owners of the Property have approved this Restated Declaration of Covenants, Conditions and Restrictions for Rio Vista Hills.

E. The Owners desire that all of the Property subject hereto be held, conveyed, hypothecated, encumbered, leased, occupied, built upon and otherwise used, improved or transferred in whole or in part, subject to this Declaration, as amended or modified from time to time.

NOW THEREFORE, the Declaration is hereby amended and revoked in its entirety and the provisions of this restated Declaration are hereby imposed upon the Property.

ARTICLE 1. - DEFINITIONS

1.1 "Annual Assessment" means the assessments levied against Each Lot, and the Owner thereof, pursuant to this Declaration.

1.2 "Architectural Committee" means the committee of the Association to be created pursuant to this Declaration.

1.3 **"Architectural Committee Rule"** means the rules and guidelines adopted by the Architectural Committee pursuant to this Declaration, as they may from time to time be amended or supplemented.

1.4 **"Articles"** means the Articles of Incorporation of the Association, as they may from time to time be amended.

1.5 **"Assessment"** means an Annual Assessment or Special Assessment.

1.6 **"Assessment Lien"** means the lien created and imposed by this Declaration.

1.7 **"Assessment Period"** means the period set forth in this Declaration.

1.8 **"Association"** means the Rio Vista Hills, an Arizona non-profit corporation.

1.9 **"Association Rules"** means the rules adopted by the Board pursuant to this Declaration, as they may from time to time be amended.

1.10 **"Board"** means the Board of Directors of the Association.

1.11 **"Bylaws"** means the Bylaws of the Association, as they may from time to time be amended.

1.12 **"City"** means the City of Wickenburg, Arizona.

1.13 **"Common Area"** means the Road System and all other land, together with all Improvements situated thereon, which the Association at any time owns in fee or in which the Association has a leasehold interest.

1.14 **"Common Expenses"** means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.15 **"Declaration"** means this Declaration of Covenants, Conditions, and Restrictions, as it may be amended from time to time.

1.16 **"Eligible Insurer or Guarantor"** means an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters from the Association in accordance with this Declaration.

1.17 **"Eligible Mortgage Holder"** means a First Mortgagee who has requested notice of certain matters from the Association in accordance with this Declaration.

1.18 **"First Mortgage"** means any mortgage or deed of trust on one or more Lots with first priority over any other mortgage or deed of trust.

1.19 **"First Mortgagee"** means the holder of any First Mortgage.

1.20 **"Improvement"** means any building, fence, wall or other structure or any swimming pool, road, driveway, parking area or any trees, plants, shrubs, grass or other landscaping improvements of every type and kind.

1.21 **"Lessee"** means the lessee or tenant under a lease, oral or written, of any Lot including an assignee of a lease.

1.22 **"Lot"** means each parcel of real property designated as a lot on the Plat and, where the context indicates or requires, shall include any Residential Unit, building, structure or other Improvements situated on the Lot.

1.23 **"Maintenance Standard"** means the standard of maintenance of Improvements established from time to time by the Board or, in the absence of any standard established by the Board, the standard of maintenance of improvements generally prevailing throughout the Project.

1.24 **"Member"** means any Person who is a Member of the Association.

1.25 **"Owner"** means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Lot. Owner shall not include (i) Persons having an interest in a Lot merely as security for the performance of an obligation, or (ii) a Lessee. Owner shall include a purchaser under a contract for the conveyance of real property subject to the provisions of A.R.S. § 33-741 *et. seq.* Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to the executory contracts pending the closing of a sale or purchase transaction. In the case of Lots, the fee simple title to which is vested in a trustee pursuant to Arizona Revised Statutes, Section 33-801, *et. seq.*, the Trustor shall be deemed to be the Owner. In the case of the Lots the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the trust property shall be deemed to be the Owner.

1.26 **"Person"** means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, municipality, government, governmental subdivision or agency, or other legal or commercial entity.

1.27 **"Plat"** means the Parcel Map of Rio Vista Hills in Book 503 of Maps, Page 4, records of Maricopa County, Arizona, and all amendments, supplements and corrections thereto.

1.28 **"Property or Project"** means the real property described on Exhibit A attached to this Declaration together with all Improvements located thereon.

1.29 **"Project Documents"** means this Declaration, the Articles, the Bylaws, the Association Rules and the Architectural Committee Rules.

1.30 **"Purchaser"** means any Person who by means of a voluntary transfer becomes the Owner of a Lot.

1.31 **"Recording"** means placing an instrument of public record in the office of the County Recorder of Maricopa County, Arizona, and **"Recorded"** means having been so placed of public record.

1.32 **"Resident"** means each individual occupying or residing in any Residential Unit.

1.33 **"Residential Unit"** means any building, or portion of a building, situated upon a Lot and designed and intended for independent ownership and for use and occupancy as a residence.

1.34 **"Roadways"** means the roadways providing access to all Lots within Rio Vista Hills.

1.35 **"Single Family"** means a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) persons not all so related, who maintain a common household in a Residential Unit.

1.36 **"Special Assessment"** means any assessment levied and assessed pursuant to this Declaration.

1.37 **"Visible From Neighboring Property"** means, with respect to any given object, that such object is or would be visible to a person six feet tall, standing at ground level on any part of such neighboring property, provided, however that an object shall not be considered as being visible from neighboring Property if the object is visible to a person six feet (6') tall, standing at ground level on any part of neighboring property only by such person being able to see the object through a wrought iron fence and such object would not be visible to such person if the wrought iron fence were a solid fence.

ARTICLE 2. - PLAN OF DEVELOPMENT

2.1 **Property Subject to the Declaration.** The Declaration is being recorded to establish a general plan for the development and use of the Project in order to protect and enhance the value and desirability of the Project. All of the property within the Project shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, bind himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now hereafter imposed by this Declaration and all amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees 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 all Owners. The membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot.

ARTICLE 3. - PERMITTED USES AND RESTRICTIONS

3.1 Architectural Control. No excavation or grading work shall be performed on any Lot without the prior written approval of the Architectural Committee. No Improvement shall be constructed or installed on any Lot without the prior written approval of the Architectural Committee. No addition, alteration, repair, change or other work which in any way alters the exterior appearance, including but without limitation, the exterior color scheme, of any Lot, or the Improvements located thereon, from their appearance on the date this Declaration is Recorded shall be made or done without the prior written approval of the Architectural Committee.

3.2 Approval Procedures. Any Owner desiring approval of the Architectural Committee for the construction, installation addition, alteration, repair, change or replacement of any Improvement which would alter the exterior appearance of his Lots or the Improvements located thereon, shall submit to the Architectural Committee a written request for approval specifying in detail the nature and extent of the addition, alteration, repair, change or other work which the Owner desires to perform. Any Owner requesting the approval of the Architectural Committee shall also submit to the Architectural Committee any additional information, plans and specifications which the Architectural Committee may request. In the event that the Architectural Committee fails to approve or disapprove an application for approval within thirty (30) days after the application, together with all supporting information, plans and specifications requested by the Architectural Committee have been submitted to it, approval will not be required and this Section will be deemed to have been complied with by the Owner who had requested approval of such plans.

3.3 No Architectural Waiver. The approval by the Architectural Committee of any construction, installation, addition, alteration, repair, change or other work pursuant to this Section shall not be deemed a waiver of the Architectural Committee's right to withhold approval of any similar construction, installation, addition, alteration, repair, change or other work subsequently submitted for approval.

3.4 Diligent Completion. Upon receipt of approval from the Architectural Committee for any construction, installation, addition, alteration, repair, change or other work, the Owner who had requested such approval shall proceed to perform, construct or make the addition, alteration, repair, change or other work approved by the Architectural Committee as soon as practicable and shall diligently pursue such work so that it is completed as soon as reasonably practicable and within such time as may be prescribed by the Architectural Committee. Any change, deletion or addition to the plans and specifications previously approved by the Architectural Committee must be approved in writing by the Architectural Committee.

3.5 Architectural Committee Fees. The Architectural Committee shall have the right to establish and charge a reasonable fee for reviewing requests for approval of any construction, installation, alteration, addition, repair, change or other work pursuant to this Section, which fee shall be payable at the time the application for approval is submitted to the Architectural Committee.

3.6 Governmental Approval. The approval required of the Architectural Committee pursuant to this Section 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, including but not limited to the ordinance requirements of the City.

3.7 Single Story Residences. Only one (1) detached one story single-family dwelling with a one story private garage may be constructed on a Lot. Upon approval of the Architectural Committee, split-level or two-story dwellings may be constructed on hillside Lots, provided the upper story is at or below street grade level.

3.8 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a residence, either temporary or permanent. Temporary buildings, trailers or other structures used during the construction of Improvements approved by the Architectural Committee shall be removed immediately after the completion of construction, and in no event shall any such buildings, trailers or other structures be maintained or kept on any property for a period in excess of twelve months without the prior written approval of the Architectural Committee. No building shall be erected on any Lot until a dwelling shall have been erected or until a contract with a reliable and responsible contractor shall have been entered into for the construction of a dwelling which shall comply with the restrictions herein. No outbuilding shall be used for residential purposes; PROVIDED, HOWEVER, that this restriction shall not prevent the inclusion of guest or servant quarters in any garage or outbuilding for the use of actual non-paying guests or for actual servants of the occupants of the main dwelling.

3.9 New Construction; Color Schemes. Each dwelling shall be constructed or assembled on any Lot and shall be new construction. No buildings shall be moved from any other location on to any Lot. All buildings, detached garages, or outbuildings must be constructed and painted to match the principal dwelling. All buildings must be painted or stained a color which blends in with the natural surroundings and the exterior finish shall be maintained. White or near white, or other bright or vivid colors are prohibited. White or light-colored chimneys, light-colored or reflective roofing materials (including unpainted flashings) are prohibited. All projections above the roof, including plumbing vents, attic ventilators or other apparatus, shall be painted in subdued colors to match the roofing materials.

3.10 Drainage; Runoff Control. All Lot Owners shall install and maintain proper drainage facilities to properly channel runoff water into roadside ditches. Paving over roadside ditches without installing proper culverts or similar facilities to prevent runoff water from overflowing onto roadways is prohibited.

3.11 Minimum Setbacks. All buildings shall be located in conformance with the terrain and in compliance with Maricopa County setback requirements. For the purpose of these conditions, any parcel under one ownership, incorporating parts of two adjoining Lots, or all of one Lot and a part or parts of adjoining Lots, shall be deemed to be a single Lot.

3.12 Maintenance of Lawns and Plantings. Each Owner of a Lot shall keep all shrubs, trees, hedges, grass and plantings of every kind located on (i) that Owner's Lot, (ii) any public or private right-of-way or easement area which abuts or adjoins the Owner's Lot and which is located between the boundary line of the Owner's Lot and the paved area of any street, sidewalk, recreational-path or similar area, and (iii) any non-street public or private right-of-way or easement area adjacent to that Owner's Lot, neatly trimmed, and shall keep all such areas, free of trash and other unsightly material; provided, however, that such Owner shall not be responsible for maintenance of any area over which (i) the Association assumes the responsibility in writing; (ii) the

Association has been given such responsibility by this Declaration; or (iii) Maricopa County or the City assumes responsibility, for so long as the Association, Maricopa County or the City assumes or has responsibility.

3.13 Nuisances; Construction Activities. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot or other property, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No other nuisance shall be permitted to exist or operate upon any Lot or other property so as to be offensive or detrimental to any other property in the vicinity thereof or to its occupants. Normal construction activities and parking in connection with the building of Improvements on a Lot or other property shall not be considered a nuisance or otherwise prohibited by this Declaration, but Lots and other 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 building materials will be piled only in such areas as may be approved in writing by the Architectural Committee. In addition, any construction equipment and building materials stored or kept on any Lot or other property during the construction of Improvements may be kept only in areas approved in writing by the Architectural Committee, which may also require screening of the storage areas. The Architectural Committee in its sole discretion shall have the right to determine the existence of any such nuisance.

3.14 Diseases and Insects. No Person shall permit any thing or condition to exist upon any Lot or other property which shall induce, breed or harbor infectious plant diseases or noxious insects.

3.15 Repair Of Building. No Residential Unit, building or structure on any Lot or other property shall be permitted to fall into disrepair and each such Residential Unit, building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any Residential Unit, building or structure is damaged or destroyed, then, subject to the approvals required by this Declaration, such Residential Unit, building or structure shall be immediately repaired or rebuilt or shall be demolished.

3.16 Garbage and Refuse Disposal. No Lots may be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for disposal or storage of such material shall be subject to the approval of the Architectural Committee, and must at all times be kept in a clean and sanitary condition.

3.17 Residential Use. All Residential Units shall be used, improved and devoted exclusively to residential use by a Single Family. No trade or business may be conducted on any Lot or in or from any Residential Unit, except that an Owner or other Resident of a Residential Unit may conduct a business activity within a Residential Unit so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residential Unit, (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Project, (iii) the business activity does not involve persons coming onto the Lot or the door-to-door solicitation of Owners or other Residents in the Project, (iv) the business activity is consistent with the residential character of the Project and does not constitute a nuisance or a

hazardous or offensive use or threaten security or safety of other residents in the Project, (v) the business actually conducted on a Lot or from a Residential Unit does not involve any employees, other than family members residing in the Residential Unit, all as may be determined from time to time in the sole discretion of the Board. If a guest house is located upon a Lot, under no circumstances may such guest house be used as an office. 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 which 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 (i) such activity is engaged in full or part time, (ii) such activity is intended or does generate a profit, or (iii) a license is required for such activity. The sale or lease of a Residential Unit by the Owner thereof shall not be considered a trade or business within the meaning of this Section.

3.18 No Commercial Use. No store, office or other place of business and no hospital, sanitarium or other place for the care or treatment of the sick or disabled, physically or mentally, shall be erected or permitted on any Lot.

3.19 Animals. No poultry, swine or livestock, shall be kept on any Lot with, except that horses shall be allowed under the following conditions:

(a) No Owner of a Lot (including joint owners) shall maintain in excess of six horses on any Lot at any one time.

(b) No owner shall operate any commercial operation relating to horses on any Lot.

(c) Any horses on any Lot shall be maintained with corrals at all times, and shall not be allowed to run at large on any Lot or within Rio Vista Hills.

(d) The design of all corrals shall require the approval of the Architectural Committee.

(e) No corrals may be located with one hundred (100) feet of any dwelling house.

(f) All corrals must be kept in a clean, sanitary and orderly condition at all times.

3.20 Signs No signs whatsoever (including, but not limited to, billboards or other commercial signs, political, "for Sale", "for rent" or similar signs) which are Visible from Neighboring Property shall be erected or maintained on any Lot except:

(a) Signs required by legal proceedings.

(b) Residence identification signs provided the size, color, content and location of such signs have been approved in writing by the Architectural Committee.

3.21 Restriction on Further Subdivision, Property Restrictions and Rezoning. No Lot shall consist of or be subdivided or separated into lots or parcels of less than five (5) acres (including roadways and public utility easements).

3.22 Trucks, Trailers, Campers and Boats. No truck, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot or Common Area or on any street so as to be Visible from Neighboring Property without the prior written approval of the Architectural Committee; except for (i) temporary construction trailers or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Architectural Committee; (ii) boats and vehicles parked in garages on Lots so long as such vehicles are in good operating condition and appearance and are not under repair, or (iii) motor vehicles not exceeding seven (7) feet in height and eighteen (18) feet in length which are not used for commercial purposes and which do not display any commercial name, phone number or message of any kind.

3.23 Motor Vehicles. Except for emergency vehicle repairs, no automobile or other motor vehicle shall be constructed, reconstructed or repaired upon a Lot or other property in the Project, and no inoperable vehicle may be stored or parked on any such Lot so as to be visible From Neighboring Property or to be visible from any Common Area or any street.

3.24 Towing of Vehicles. The Board shall have the right to have any truck, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or similar equipment or vehicle or any automobile, motorcycle, motorbike, or other motor vehicle which is parked, kept, maintained, constructed, reconstructed or repaired in violation of the Project Documents towed away at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle or equipment shall be paid to the Association upon demand by the owner of the vehicle or equipment. If the vehicle or equipment is owned by an Owner, any amounts payable to the Association shall be secured by the Assessment Lien, and the Association may enforce collection of such amounts in the same manner provided for in this Declaration for the collection of Assessments.

3.25 Variances. Provided that it does not conflict with Maricopa County ordinances, the Architectural Committee may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in this Article 3 if the Architectural Committee determines in its discretion:

(a) that either (i) a restriction would create an unreasonable hardship or burden on an Owner, Lessee or Resident and the burden or hardship was not self-imposed by the Owner, Lessee or Resident, or (ii) a change of circumstances since the recordation of this Declaration has rendered such restriction obsolete; and

(b) that the activity permitted under the variance will not have any substantial adverse effect on the Owners, Lessees and Residents of the Project and is consistent with the high quality of life intended for residents of the Project.

3.26 **Drainage.** No Residential Unit, structure, building, landscaping, fence, wall or other Improvement shall be constructed, invaded, placed or maintained in any manner that would obstruct, interfere with or change the direction or flow of water in accordance with the drainage plans for the Project, or any part thereof, or for any Lot as shown on the drainage plans on file with the county or the City in which the Project is located.

ARTICLE 4. - EASEMENTS

4.1 **Owners' Easements of Enjoyment.**

(a) Every Member, and any person residing with such Member, shall have a right and easement of enjoyment in and to the Common Area which right shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Association to regulate the use of the Common Area through the Association Rules and to prohibit access to such portions of the Common Area, such as landscaped areas, not intended for use by the Owners, Lessees or Residents.

(b) If a Lot is leased or rented by the Owner thereof, the Lessee and the members of his family residing with such Lessee shall have the right to use the Common Area during the term of the lease, and the Owner of such Lot shall have no right to use the Common Area until the termination or expiration of such lease.

4.2 **Utility and Drainage Easement.** There is hereby created an easement upon, across, over and under the Common Area and the Lots for reasonable ingress, egress, installation, replacing, repairing or maintaining of all utilities, including, but not limited to, gas, water, sewer, telephone, cable television, electricity and drainage facilities. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on the Common Area or Lots, but no sewers, electrical lines, water lines, drainage pipes or other utility or service pipes or lines may be installed or located on the Common Area or Lots except as approved by the Board.

4.3 **Easement in Favor of Association.** The Lots are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees and independent contractors:

(a) For inspection of the Lots in order to verify the performance by Owners of all items of maintenance and repair for which they are responsible;

(b) For inspection, maintenance, repair and replacement of the roadways accessible only from such Lots;

(c) For correction of emergency conditions in one or more Lots;

(d) For the purpose of enabling the Association, the Board, the Architectural Committee or any other committees appointed by the Board to exercise and discharge their respective rights, powers and duties under the Project Documents;

(e) For inspection of the Lots in order to verify that the Provisions of the Project Documents are being complied with by the Owners, their guests, tenants, invitees and the other occupants of the Lot.

ARTICLE 5. - THE ASSOCIATION; ORGANIZATION; MEMBERSHIP AND VOTING RIGHTS

5.1 The Association. The Association is a nonprofit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. In the event of any conflict or inconsistency between this Declaration and the Articles, Bylaws, Association Rules or Architectural Rules, this Declaration shall control.

5.2 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. Unless the Project Documents specifically require the vote or written consent of the Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board.

5.3 The Association Rules. The Board may, from time to time, and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations pertaining to the implementation and enforcement of the restrictions contemplated by this Declaration. In the event of any conflict or inconsistency between the provisions of this Declaration and the Association rules, the provisions of this Declaration shall prevail.

5.4 Personal Liability. No member of the Board or of any committee of the Association, no officer of the Association, and no manager or other employee of the Association shall be personally liable to any Member, or to any other person or entity, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, the manager, any representative or employee of the Association, or any committee, committee member or officer of the Association; provided, however, the limitations set forth in this Section shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct.

5.5 Powers and Duties. The Association shall have the following powers and duties:

(a) The Association shall manage and maintain the roadways and improvements thereof at a reasonably high standard of care.

(b) The Association shall have the right to do such other things as are expressly authorized in this Declaration for the Association, the Board, or any committee of either to perform, as well as such things as are reasonably necessary or proper for, or incidental to, the exercise of such express powers and duties.

(c) The Association shall perform the functions and discharge the obligations delegated to or imposed upon the Association, the Board, or any committee of either.

(d) The Association may exercise any right or privilege given to the Association expressly by the Project Documents and every other right or privilege reasonably to be implied from the existence or any right or privilege given to the Association by the Project Documents or reasonably necessary to effectuate any such right or privilege.

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

5.7 Voting Procedures. No change in the ownership of a Lot shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that a Lot is owned by more than one person or entity and such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast by a Member for a particular Lot, none of the votes shall be counted and all of the votes shall be deemed void. The Owner of two or more contiguous Lots treated as one parcel with only one Residential Unit shall have only one vote for all such contiguous Lots.

5.8 Transfer of Membership. The rights and obligations of any Member shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an Owner's Lot, and then only to the transferee of ownership to the Lot. A transfer of ownership to a Lot may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot shall operate to transfer the Membership appurtenant to said Lot to the new Owner thereof and Each Purchaser of a Lot shall notify the Association of his purchase within ten (10) days after he becomes the Owner of a Lot.

5.9 Architectural Committee. The Association shall have an Architectural Committee to perform the functions of the Architectural Committee set forth in this Declaration. The Architectural Committee shall consist of such number of members as may be provided for from time to time by the Board. The members of the Architectural Committee shall be appointed by the Board. The Architectural Committee shall promulgate architectural guidelines and standards to be used in rendering its decisions. The decision of the Architectural Committee shall be final on all matters submitted to it pursuant to this Declaration.

ARTICLE 6. - COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

6.1 Creation of Lien and Personal Obligation of Assessments. Each Owner, by becoming the Owner of a Lot, is deemed to covenant and agree to pay Assessments to the Association in accordance with and subject to the limitations of this Declaration. All Assessments shall be established and collected as provided in this Declaration. The Assessments, together with

interest, late charges and all costs, including but not limited to reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. Each Assessment, together with interest and all expenses and costs, including but not limited to reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the Assessment became due. The personal obligation for delinquent Assessments shall pass to the successors in title of the Owner, except such successors in title who acquire title pursuant to Section 6.7(c) hereof.

6.2 Annual Assessments; General Assessments; Roadway Assessments.

(a) In order to provide for the operation and management of the Association and to provide funds for the Association to pay all Common Expenses, Roadway maintenance and to perform its duties and obligations under the Project Documents, including the establishment of replacement and maintenance reserves, the Board, for each Assessment Period shall establish and assess an Annual Assessment. Each Annual Assessment shall consist of a General Assessment for general Association administrative purposes (e.g., accounting, legal, office and related expenses), and a Roadway Assessment for expenses connected with maintaining the Roadways and collection of the Roadway Assessment. Annual Assessments shall be levied equally against all Lots, provided that until a building permit has been issued for the construction of a residence on a Lot, the Annual Assessment on that Lot shall be reduced by an amount equal to one-half (1/2) of the Roadway Assessment.

(b) The Board shall give notice of the Annual Assessment, which shall include an allocation of such Annual Assessment to the amounts levied for the General Assessment and to the Roadway Assessment, to each Owner at least thirty (30) days prior to the beginning of each Assessment Period, but the failure to give such notice shall not affect the validity of the Annual Assessment established by the Board nor relieve any Owner from its obligation to pay the Annual Assessment. If the Board determines during any Assessment Period that the funds budgeted for that Assessment Period are, or will become, inadequate to meet all Common Expenses for any reason, including, without limitation, nonpayment of Assessment by Members, it may increase the Annual Assessment for that Assessment Period and the revised Annual Assessment shall commence on the date designated by the Board.

6.3 Special Assessments. The Association may levy against each Lot which is then subject to assessment, in any Assessment Period, a Special Assessment for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Roadways, including Improvements, fixtures and personal property related thereto, provided that any Special Assessment shall have the assent of two-thirds (2/3) of the votes entitled to be cast by Members who are voting in person or by proxy at a meeting duly called for such purpose, provided that until a building permit has been issued for the construction of a residence on a Lot, the Special Assessment levied on that Lot shall be one-half (1/2) of the Special Assessment.

6.4 Assessment Period. The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year or a fiscal year established by the Board.

6.5 Lots Subject to Assessment. All Lots contained within the description on Exhibit A to this Declaration shall be subject to assessment, such Assessments to be in accordance with and subject to the limitations of this Declaration. The Owner of two or more contiguous Lots treated as one parcel with only one Residential Unit shall be assessed only one Annual Assessment for all such contiguous Lots.

6.6 Rules Regarding Billing and Collection Procedures. Annual Assessments shall be collected on a monthly, quarterly, or such other basis as may be specified by the Board. Special Assessments may be collected as specified by the Board. The Board shall have the right to adopt rules and regulations setting forth procedures for the purpose of making Assessments and for the billing and collection of the Assessments, provided that the procedures are not inconsistent with the provisions of this Declaration. The failure of the Association to send a bill to a Member shall not relieve any Member of his liability for any Assessment or charge under this Declaration, but the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Member has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement that the Assessment or any installment thereof is or will be due and of the amount Owning. Such notice may be given at any time prior to or after delinquency of such payment. 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 of Lots shall be given credit for prepayments, on a prorated basis, made by prior Owners.

6.7 Effect of Nonpayment of Assessments; Remedies of the Association.

(a) Any Assessment, or any installment of an Assessment, not paid within sixty (60) days after the Assessment, or the installment of the Assessment, first became due shall bear interest from the due date at the rate of interest established by the Board. In addition, the Board of Directors may establish a late fee to be charged to any Owner who has not paid any Assessment, or any installment of an Assessment, within five days after such payment was due.

(b) The Association shall have a lien on each Lot for (i) all Assessments levied against the Lot, (ii) all interest, lien fees, late charges and other fees and charges assessed against the Lot or payable by the Owner of the Lot, (iii) all fines levied against the Owner of the Lot, and (iv) all attorney fees, court costs, title report fees, costs and fees incurred by the Association in attempting to collect Assessments or other amounts due to the Association by the Owner of a Lot. Recording of this Declaration constitutes record notice and perfection of the Assessment Lien. The Association may, at its option, record a Notice of Lien setting forth the name of the delinquent owner as shown in the records of the Association, the legal description or street address of the Lot against which the Notice of Lien is recorded and the amount claimed to be past due as of the date of the recording of the Notice, including interest, lien recording fees and reasonable attorneys' fees. Before recording any Notice of Lien against a Lot, the Association shall make a written demand to the defaulting Owner for payment of the delinquent Assessments, together with interest, late charges and reasonable attorneys' fees, if any. The demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand, but any number of defaults may be included within the single demand. If the delinquency is not paid within ten (10) days after delivery of the demand, the Association may proceed with recording a Notice of Lien against the Lot.

(c) The Assessment Lien shall have priority over all liens or claims except for (i) tax liens for real property taxes, (ii) assessments in favor of any municipal or other governmental body and (iii) the lien of any first mortgage or first deed of trust. Any First Mortgagee or any other Person acquiring title or coming into possession of a Lot through foreclosure of the First Mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceeding, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title free and clear of any claims for unpaid assessments and charges against the Lot which became payable prior to the acquisition of such Lot by the First Mortgagee or other Person. Any Assessments and charges against the Lot which accrue prior to such sale or transfer shall remain the obligation of the defaulting Owner of the Lot.

(d) The Association shall not be obligated to release the Assessment Lien until all delinquent Assessments, interest, lien fees, fines, reasonable attorneys' fees, court costs, collection costs and all other sums payable to the Association by the Owner of the Lot have been paid in full.

(e) The Association shall have the right, at its option, to enforce collection of any delinquent Assessments together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Association in any manner allowed by law including, but not limited to, (i) bringing an action at law against the Owner personally obligated to pay the delinquent Assessments and such action may be brought without waving the Assessment Lien securing the delinquent Assessments or (ii) bringing an action to foreclose the Assessment Lien against the Lot in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots purchased at such sale.

6.8 Evidence of Payment of Assessments. Upon receipt of a written request by a Member or any other Person, the Association, within a reasonable period of time thereafter, shall issue to such Member or other Person a written certificate stating (i) that all Assessments, interest, and other fees and charges have been paid with respect to any specified Lot as of the date of such certificate, or (ii) if all Assessments have not been paid, the amount of such Assessments, interest, fees and charges due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matters therein stated as against any bona fide Purchaser of, or lender on, the Lot in question.

6.9 Purposes for Which Association's Funds May be Used. The Association shall apply all funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of the Project and the Owners and Residents by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any and all land, properties, improvements, facilities, services, projects, programs, studies and systems, within or without the Project, which may be necessary, desirable or beneficial to the general common interests of the Project, the Owners and the Residents. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit: upkeep and maintenance of the Common Area, social interaction among Members and Residents, maintenance of landscaping on Common

Areas and private and public right-of-way (if any) and drainage areas within the Project, recreation, liability insurance, communications, ownership and operation of vehicle storage areas, education, transportation, health, utilities, public services, safety and indemnification of officers and directors of the Association. The Association may also expend its funds under the laws of the State of Arizona or the charter of the City.

6.10 Surplus Funds. The Association shall not be obligated to spend in any year all the Assessments and other sums received by it in such year, and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from a prior year, 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.

6.11 Transfer Fee. Each Purchaser of a Lot shall pay to the Association immediately upon becoming the Owner of the Lot a transfer fee in such amount as is established from time to time by the Board.

6.12 Fines. In accordance with any procedures which may be set forth in the Bylaws or adopted by the Board, the Association shall have the power to levy reasonable monetary penalties against any Owner who violates any provision of the Project Documents. The Board shall establish procedures for an Owner to receive notice of the intention to levy such monetary penalties and for an Owner to receive an opportunity to be heard in connection with such violation.

ARTICLE 7. - MAINTENANCE

7.1 Roadways.

(a) The Association, or its duly delegated representative, shall manage, maintain, repair and replace the Roadways, and all Improvements located thereon, except the Association shall not maintain areas which any governmental entity is maintaining or is obligated to maintain.

(b) The Board shall be the sole judge as to the appropriate maintenance of all Roadways and other properties maintained by the Association, if any. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the Roadways shall be taken by the Board or by its duly delegated representative.

7.2 Lots. Each Owner of a Lot shall be responsible for maintaining, repairing or replacing his Lot, and all buildings, Residential Units, landscaping or other Improvements situated thereon, except for any portion of the Lot which is a Roadway. All buildings, Residential Units, landscaping and other Improvements shall at all times be kept in good condition and repair.

7.3 Assessment of Certain Costs of Maintenance and Repair.

In the event that the need for maintenance or repair of a Roadway is caused through the willful or negligent act of any Member, his family, tenants, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such

Member and the Member's Lot is subject and shall be secured by the Assessment Lien. Any charges or fees to be paid by the Owner of a Lot pursuant to this Section in connection with a contract entered into by the Association with an Owner for the performance of an Owner's maintenance responsibilities shall also become a part of such Assessment and shall be secured by the Assessment Lien.

7.4 Improper Maintenance and Use of Lots. In the event any portion of any Lot is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Project which are substantially affected thereby or related thereto, or in the event any portion of a Lot is being used in a manner which violates this Declaration; or in the event the Owner of any Lot is failing to perform any of its obligations under the Project Documents, the Board may make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said fourteen day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become a part of the Assessment to which the offending Owner and the Owner's Lot is subject and shall be secured by the Assessment Lien.

ARTICLE 8. - INSURANCE

8.1 Scope of Coverage. The Association shall maintain, to the extent reasonably available, the following insurance coverage:

(a) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Roadways and all other portions of the Project which the Association is obligated to maintain under this Declaration, and shall also include hired automobile and non-owned automobile coverages with cost liability endorsements to cover liabilities of the Owners as a group to an Owner;

(b) Workmen's compensation insurance to the extent necessary to meet the requirements of the laws of Arizona;

(c) Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association or the Owners;

(d) The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(i) That there shall be no subrogation with respect to the Association, its agents, servants, and employees, with respect to Owners and members of their household;

(ii) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery on the policy;

(iii) That the coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by Owners or their mortgagees or beneficiaries under deeds of trust;

(iv) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other Owners;

(v) Statement of the name of the insured as the Association;

(vi) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the first mortgagee named in the policy at least thirty (30) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy.

8.2 Certificates of Insurance. An insurer that has issued an insurance policy under this Article shall issue a certificate or a memorandum of insurance to the Association and, upon request, to any Owner, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this Article may not be canceled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Owner and each mortgagee or beneficiary under deed of trust to whom certificates of insurance have been issued.

8.3 Payment of Premiums. The premiums for any insurance obtained by the Association pursuant to this Declaration shall be included in the budget of the Association and shall be paid by the Association.

8.4 Payment of Insurance Proceeds. With respect to any loss covered by property insurance obtained by the Association in accordance with this Article, the loss shall be adjusted with the Association, and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. Subject to the provisions of this Declaration, the proceeds shall be disbursed for the repair or restoration of the property damaged.

ARTICLE 9. - RIGHTS OF FIRST MORTGAGEES

9.1 Notification to First Mortgagees. Upon receipt by the Association of a written request from a First Mortgagee or insurer or governmental guarantor of a First Mortgage informing the Association of its correct name and mailing address and the Lot number or address to which the request relates, the Association shall provide such Eligible Mortgage Holder or Eligible Insurer Or Guarantor with timely written notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Lot on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer Or Guarantor;

(b) Any delinquency in the payment of Assessments or charges owed by an owner of a Lot subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer Or Guarantor or any other default in the performance by the Owner of any obligation under the Project Documents, which delinquency remains uncured for the period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

9.2 First Mortgagee's Right of Inspection of Records. Any First Mortgagee will, upon written request, be entitled to (i) inspect the books and records of the Association during normal business hours, (ii) receive within ninety (90) days following the end of any fiscal year of the Association, a financial statement of the Association for the immediately preceding fiscal year of the Association, free of charge to the requesting party, and (iii) receive written notice of all meetings of the Members of the Association and be permitted to designate a representative to attend all such meetings.

9.3 No Priority Over First Mortgagees. No provision of this Declaration gives or shall be construed as giving any owner or other Person priority over any rights of a First Mortgagee of a Lot in the case of the distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of the Common Area.

9.4 Failure of First Mortgagees to Respond. Any First Mortgagee who receives a written request from the Board to respond to or consent to any action requiring the consent of the First Mortgagee shall be deemed to have approved such action if the Association has not received a written negative response from such First Mortgagee within thirty (30) days of the date of the Association's request.

ARTICLE 10. - GENERAL PROVISIONS

10.1 Enforcement. The Association or any Owner shall have the right to enforce the Project 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 which (i) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (ii) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association.

10.2 Term.

(a) This Declaration shall continue in full force and effect for a term of twenty (20) years from the date this Declaration is recorded. After which time, this Declaration shall be

automatically extended for successive periods of ten (10) years each, unless otherwise amended as provided herein.

10.3 Amendments.

(a) This Declaration may be amended from time to time by the written approval or the affirmative vote, or any combination thereof, of Owners entitled to cast not less than fifty-one percent (51%) of the votes in the Association.

(b) The Board may amend this Declaration or the Plat, without obtaining the approval or consent of any Owner or First Mortgagee, in order to conform this Declaration or the Plat to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Board.

(c) Any amendment approved pursuant to Subsection 10.3(a) of this Declaration or by the Board pursuant to Subsection 10.3(b) of this Declaration shall be signed by the President or Vice President of the Association and shall be recorded with the County Recorder of Maricopa County, Arizona. Any such amendment shall certify that the amendment has been approved as required by this Section.

10.4 Interpretation. Except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefitted or bound by this Declaration. In the event of any conflict between this Declaration and the Articles, Bylaws, Association Rules or Architectural Committee Rules, this Declaration shall control. In the event of any conflict between the Articles and the Bylaws, the Articles shall control. In the event of any conflict between the Bylaws and the Association Rules or the Architectural Committee Rules, the Bylaws shall control.

10.5 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

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

10.7 Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

10.8 Rules and Regulations. In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association shall have the right to adopt rules and regulations with respect to all other aspects of the Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

10.9 Laws, Ordinances and Regulations.

(a) The covenants, conditions and restrictions set forth in this Declaration and the provisions requiring Owners and other persons to obtain the approval of the Board or the Architectural Committee with respect to certain actions are independent of the obligation of the Owners and other persons to comply with all applicable laws, ordinances and regulations, and compliance with this Declaration shall not relieve an Owner or any other person from the obligation to also comply with all applicable laws, ordinances and regulations.

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

(c) In the event any of the provisions of this Declaration are in conflict with applicable ordinances of the municipality in which the Project is located which are in effect as of the date this Declaration is recorded, such conflict shall be resolved and this Declaration interpreted so as to be consistent and in compliance with any such applicable ordinances.

10.10 References to this Declaration in Deeds. Deeds to and instruments affecting any Lot or any part of the Project may contain the covenants, conditions and restrictions herein set forth by reference to 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 run with the land and be binding upon the grantee-Owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assignees.

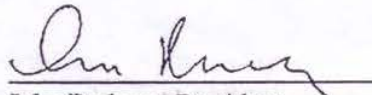
10.11 Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.


10.12 Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent of context thereof.

10.13 Notices. If notice of any action or proposed action by the Board or any committee or of any meeting is required by applicable law, this Declaration or resolution of the Board to be given to any Owner, Lessee or Resident then, unless otherwise specified herein or in the resolution of the Board, such notice requirement shall be deemed satisfied if notice of such action or meeting is published once in any newspaper in general circulation within Maricopa County. 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.

IN WITNESS WHEREOF, the undersigned, being the President and the Secretary of the Association, hereunto set their hands and seal as of the date first above written, and certify that, as evidenced by an instrument signed by not less than fifty percent (50%) of the Owners, a copy of which is attached hereto as Exhibit B, this Amended and Restated Declaration is approved in excess of fifty percent (50%) of the Members of the Association.


John Radway, President


Linda Sanders, Secretary

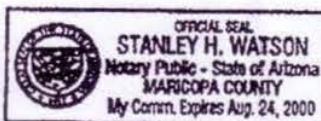
STATE OF ARIZONA)
) ss.
County of MARICOPA

The foregoing instrument was acknowledged before me this 29 day of APRIL, 1997, by John Radway, who acknowledged himself to be the President of Rio Vista Hills, for and on behalf of the corporation.

Stanley H. Watson
Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
County of MARICOPA



The foregoing instrument was acknowledged before me this 29 day of APRIL, 1977, by Linda Sanders, who acknowledged herself to be the Secretary of Rio Vista Hills, for and on behalf of the corporation.

Stanley H. Watson
Notary Public

My Commission Expires:



EXHIBIT A

Legal Description of the Property

The East one-half (1/2) and the Southeast quarter (1/4) of the Southwest quarter (1/4) of Section Seventeen (17), Township Seven (7) North, Range Four (4) West, Gila and Salt River Base and Meridian (which Property is also described on the Maricopa County, Arizona Tax Parcel Map recorded in the Office of the Maricopa County Recorder in Book 503 of Maps, Page 4, with the separately numbered or designated tax parcels set forth on the Tax Parcel Map referred to as the "Lots").