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Community Association*

BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS

KEITH A. SHADDEN,
Petitioner,

vs.

LAS BRISAS COMMUNITY
ASSOCIATION,
Respondent.

File No. 25F-H01343
Docket No. 25F-H043-REL

**RESPONDENT’S MOTION TO DISMISS
PURSUANT TO
ARIZ. REV. STAT. § 32-2199.01(C)**

(ALJ Velva Moses-Thompson)

Respondent Las Brisas Community Association, hereby submits its Motion to Dismiss the above-captioned Petition filed by Keith A. Shadden pursuant to Ariz. Rev. Stat. §32-2199.01(C), A.A.C. R2-19-117, and Ariz. R. Civ. P. 12(b)(1) and (2).

I. FACTUAL BACKGROUND

Petitioner filed his petition with the Arizona Department of Real Estate on or about March 14, 2025 alleging that the Association was using an incorrect sections of the Declaration of Covenants, Conditions, and Restrictions for Las Brisas (“CC&Rs”) and the Las Brisas Community Association Design Guidelines (the “Guidelines,” collectively the “Governing

1 Documents”) for a violation relating to garage window cut outs. See CC&Rs attached as
2 **Exhibit A**; *see also* Design Guidelines attached as **Exhibit B**. The Petitioner, Keith Shadden,
3 alleges that the Association misapplied Section 5.10 (“Windows”) of the CC&Rs when issuing
4 a violation concerning reflective tint installed on the glass cutouts of his garage door. See
5 Violation letters attached as **Exhibit C**. Petitioner has reflective material in the garage
6 windows, which is a violation of the CC&Rs. See Color Photos of the violation attached as
7 **Exhibit D**. Petitioner takes a limited view of the CC&R provisions and contends that such
8 features are not “windows” and the reflective tint to his garage windows should instead be
9 solely governed by Section 5.12 (“Garages and Driveways”), which does not contain
10 restrictions on materials used on garage door windows.

11 The Association, through its management company City Property, issued a violation on
12 August 19, 2024 citing Section 5.10 of the CC&Rs and related design guidelines regarding
13 “windows.” *See* Exhibit B. Petitioner challenged the violation, arguing that the garage door is
14 not governed by Section 5.10 but rather Section 5.12, and that the term “window” is undefined
15 in the CC&Rs. Petitioner asserted that applying window treatment restrictions to garage doors
16 is both unreasonable and inconsistent with the original design intent of the community
17 developer. Despite multiple hearings and a submitted architectural design request, both the
18 Architectural Committee and the Association’s Board of Directors rejected Petitioner’s
19 position, citing an express prohibition on reflective materials in windows. *See* Architectural
20 Applications attached as **Exhibit E**, *See also* Correspondence from the Architectural
21 Committee and the Board attached as **Exhibit F**. Petitioner subsequently filed the instant
22 petition.

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1 **II. ARGUMENT**

2 **a. Respondent Appropriately Applied the Restrictions.**

3 Petitioner claims that the Association incorrectly applied the restrictions set forth in the
4 CC&Rs and the Design Guidelines. The Association’s enforcement of Section 5.10 of the
5 CC&Rs against the reflective material placed on the Petitioner’s garage door glass cutouts is
6 proper and consistent with both the language and purpose of the governing documents.
7 Petitioner argues that Section 5.10 should strictly apply only to “traditional” residential
8 windows and not to glass cutouts in a garage door. This interpretation, however, is overly
9 narrow and inconsistent with the plain meaning and community-wide application of the
10 CC&Rs. Section 5.10 of the CC&Rs provides:

11 Within ninety (90) days of occupancy of a Residential Unit each Owner shall
12 install permanent suitable window treatments that are Visible from Neighboring
13 Property. No reflective materials, including, but without limitation, aluminum
14 foil, reflective screens or glass, mirrors or similar type items, shall be installed or
placed upon the outside or inside of any windows.

15 The operative term, “window,” is not defined in the CC&Rs, but its plain and
16 commonly understood meaning includes any transparent or translucent opening in a building
17 structure through which light passes. The garage door glass cutouts on Petitioner’s home are,
18 by their very nature and function, windows in that they are openings that allow visibility and
19 light into the garage and are plainly visible from the street and neighboring properties. There
20 is also no question that the material in the garage windows is reflective in direct contradiction
21 to the CC&Rs. *See* Exhibit D.

22 Petitioner’s argument that the garage door is governed exclusively by Section 5.12
23 ignores the complementary nature of the CC&R provisions. Arizona courts have held that
24 homeowners’ associations have a duty to treat members fairly and act reasonably in exercising
25 discretionary powers, including enforcement of covenants. *Tierra Ranchos Homeowners Ass’n*
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1 *v. Kitchukov*, 216 Ariz. 195 (App. 2007). While strict construction of covenants may apply in
2 limited contexts, Arizona courts also recognize that when interpreting CC&Rs is critical to
3 assess the intent of the parties, as expressed in the CC&Rs as a whole. *Riley v. Stoves*, 22 Ariz.
4 App. 223 (1974). Here, the Declaration’s intent is made clear by Section 2.1 of the CC&Rs,
5 which state in relevant part, “This Declaration is being recorded to establish a general plan for
6 the development and use of the Project in order to protect and enhance the value and
7 desirability of the Project.” Section 2.1 of the CC&Rs reinforces the Association’s
8 interpretation because preventing reflective material maintains aesthetic uniformity and
9 prevent this violation of the restrictions from detracting from the appearance of the
10 neighborhood.

11 Section 5.12 pertains generally to garages and driveways, including requirements such
12 as garage use and driveway maintenance. It does not address materials used in garage
13 construction or windows placed within garage doors. In contrast, Section 5.10 explicitly
14 addresses aesthetic concerns related to window treatments and the prohibition of reflective
15 materials, which is a concern that directly applies regardless of whether the glass is part of a
16 living room wall or a garage door. To interpret Section 5.10 as excluding garage windows
17 would undermine the CC&Rs’ stated intent to enhance the value and desirability of property
18 within the Association.

19 If Mr. Shadden was concerned about cooling his garage, there are other options
20 available to him that do not include using reflective materials that are a violation of the
21 CC&Rs. For example, the Design Guidelines state that “Reflective window films are
22 expressly prohibited” but, “Bronze or charcoal non-reflective window tinting may be installed
23 without Committee review.” *See* Exhibit B. This not only reinforces that reflective window
24 tints are a violation of the governing documents, but also that there are other more aesthetically
25 pleasing and acceptable options under the Governing Documents for Petitioner to use. The
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1 Design Guidelines expand on the Association’s reasonable interpretation of the CC&Rs by
2 stating, “No reflective materials, including but not limited to, aluminum foil, reflective screens
3 or glass, mirrors or similar type material, shall be installed or placed upon the outside or inside
4 of any windows.” See Exhibit B.

5 Further, the fact that the original Declarant did not install blinds on the garage door
6 windows does not exempt future modifications from being a violation of the CC&Rs. The
7 requirement for permanent window treatments applies within 90 days of occupancy; it does not
8 authorize homeowners to later apply reflective materials that violate aesthetic standards. The
9 Petitioner’s installation of reflective film in May 2022, years after original occupancy,
10 constitutes a modification subject to compliance with the CC&Rs and Design Guidelines.

11 In addition, the CC&Rs provide that alterations or modifications of the lots must receive
12 the Association’s approval. Section 6.4, of the CC&Rs states:

13 No Improvements shall be constructed on any Lot without the prior written
14 approval of the Architectural Committee. No addition, alteration, repair, change or
15 other work *which in any way alters the exterior appearance*, including but without
16 limitation, the exterior color scheme, of any Lot, or the Improvements located
17 thereon shall be made or done without the prior written approval of the
18 Architectural Committee. (Emphasis added).

18 Petitioner installed this material without first seeking or obtaining written approval, and in
19 doing so violated the unambiguous requirement that any exterior change must be pre-approved.
20 This requirement is not limited to major construction or structural improvements; it extends to
21 any change affecting visual appearance, including the addition of materials to previously
22 unaltered exterior features. While Petitioner later sought retroactive approval, the CC&Rs do
23 not grant homeowners the right to alter first and request permission later. The Architectural
24 Committee’s denial of the application confirms that the modification was not only procedurally
25 improper but also substantively inconsistent with community standards.

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1 Accordingly, the Association’s enforcement action is proper both because the reflective
2 material violates Section 5.10’s prohibition on reflective window treatments, applicable to
3 garage door glass cutouts due to their function and visibility, and because the unapproved
4 installation constitutes a clear breach of the CC&Rs’ requirement that all exterior alterations
5 receive prior written approval from the Architectural Committee.

6 **b. Petitioner is Limited to a Single Issue**

7 Although it appears Petitioner’s allegations relate to a singular issue, whether the
8 Association’s application of the CC&Rs to reflective material in Petitioner’s garage windows,
9 the Association must note that this is the only issue relevant to the dispute. The Office of
10 Administrative Hearings has jurisdiction to hear disputes as authorized under Ariz. Rev. Stat.
11 §32-2199.01. Pursuant to A.R.S. §32-2199.01: “The petitioner shall file a petition with the
12 department **and pay a filing fee in an amount to be established by the commissioner.**”
13 (emphasis added). Furthermore, the administrative relief available through the Department’s
14 administrative process is limited to singular instances of alleged violations of either a provision
15 of the governing documents or a statute. A.R.S. § 32-2199.02 provides, in part:

16 A. The administrative law judge may order any party to abide by the statute,
17 condominium documents, community documents or contract provision at
18 issue and may levy a civil penalty on the basis of each violation . . .

19 The Department requires that each alleged violation of a governing document or statute carries
20 an individual filing fee. The commissioner has established a filing fee of \$500.00 for a single
21 issue with an additional \$500 filing fee for each additional issue with a maximum of four
22 issues. *See* <https://www.azre.gov/HOA/HOA.aspx>; *see also* [https://www.azre.gov/-](https://www.azre.gov/-PublicInfo/Documents/Fee_Schedule.pdf)
23 [PublicInfo/Documents/Fee_Schedule.pdf](https://www.azre.gov/-PublicInfo/Documents/Fee_Schedule.pdf). Here, Mr. Shadden has paid a single \$500.00 filing
24 fee, which is only sufficient to address a single issue. Any issues outside of the challenge to the
25 interpretation of the CC&Rs must be disregarded.

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III. CONCLUSION

The Association respectfully requests the Tribunal to dismiss the Petition.

RESPECTFULLY SUBMITTED this 30th day of May, 2025.

CHDB LAW LLP

By: /s/ Kyle Banfield, Esq.
Kyle Banfield, Esq.
Emily E. Cooper, Esq.
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Community Association*

ORIGINAL of the foregoing e-filed
this 30th day of May, 2025 with:

ALJ Velva Moses-Thompson
Office of Administrative Hearings

COPY of the foregoing mailed and emailed
this 30th day of May, 2025 to:

Keith A. Shadden
18600 West Pioneer Street
Goodyear, Arizona 85338
Petitioner Pro Per

By: /s/ Suzanne Hilborn

Exhibit A

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20100114144 02/10/2010 01:18
SS00144-58-2-2-
ELECTRONIC RECORDING

When recorded return to:

Taylor Morrison/Arizona, Inc.
9000 East Pima Center Parkway, Suite 350
Scottsdale, Arizona 85258
Attn: Lynne M. Dugan

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
LAS BRISAS**

THIS DECLARATION is made on the date hereinafter set-forth by Taylor Morrison/Arizona, Inc. ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property ("Property") located in the City of Goodyear, County of Maricopa, State of Arizona, described on Exhibit A attached hereto.

WHEREAS, Declarant desires to provide for the development of detached single family residences on the Property:

NOW, THEREFORE, Declarant hereby declares that the Property described above shall be subject to the following reservations, easements, limitations, restrictions, servitudes, covenants, conditions, charges and liens (hereinafter sometimes collectively termed "Covenants and Restrictions") which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner of any portion of the Property.

ARTICLE I
DEFINITIONS

Section 1.1 "Architectural Committee" means the committee established by the Board pursuant to Section 6.1 of this Declaration.

Section 1.2 "Articles" means the Articles of Incorporation of the Association which have been or will be filed in the Office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

Section 1.3 "Assessment Lien" means the lien granted to the Association by this Declaration to secure the payment of Assessments and all other amounts payable to the Association under the Project Documents, including without limitation the Subsidy Amounts payable pursuant to Section 4.3(E) below of this Declaration and all amounts payable with respect to Bulk Service Agreements pursuant to Section 3.13 below.

Section 1.4 "Assessments" means the annual, special, and neighborhood assessments levied and assessed against each Lot pursuant to Article IV below of the Declaration.

Section 1.5 "Association" means the Arizona nonprofit corporation organized or to be organized by the Declarant to administer and enforce the Project Documents and to exercise the rights, powers and duties set-forth therein, and its successors and assigns. Declarant intends to organize the Association under the name of "Las Brisas Community Association", but if such name is not available, Declarant may organize the Association under such other name as the Declarant deems appropriate.

Section 1.6 "Association Rules" means the rules and regulations adopted by the Association, as the same may be amended from time to time.

Section 1.7 "Board" means the Board of Directors of the Association.

Section 1.8 "Builder" means a person or entity in the business of, or a person or entity which has an affiliate in the business of constructing and selling homes, or a person or entity in the business of acting as a land banker that sells lots to persons or entities who construct and sell homes, which purchases a Lot or Lots without Residential Units constructed thereon for the purpose of constructing Residential Units thereon and selling such Lots and Residential Units.

Section 1.9 "Bylaws" means the bylaws of the Association, as such bylaws may be amended from time to time.

Section 1.10 "Common Area" means all real property together with all Improvements thereto owned by the Association, but such definition shall not preclude the Association from operating, maintaining or repairing any other real property for the benefit of the members of the Association (e.g. landscaping in public rights-of-way) or any other real property maintained by the Association pursuant to a written agreement entered into by the Association for the benefit of the members. The Common Area shall include all arterial and collector road right-of-way landscaping.

Section 1.11 "Common Expenses" means expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves.

Section 1.12 "Declarant" means Taylor Morrison/Arizona, Inc., an Arizona corporation, and its successors and assigns, and any assignee of Declarant's rights. A Declarant may assign all or any part of its rights by express recorded instrument to a subsequent Owner of all or part of the Property. At any time when there is more than one Declarant: (a) all obligations of Declarant shall be shared by the multiple Declarants in proportion to the number of Lots owned by each Declarant at the time the obligation accrued; (b) all rights, exemptions, and privileges granted to Declarant that do not require affirmative action for exercise shall be available to all Declarants; (c) all rights, exemptions, and privileges that may be exercised as to a specific Lot or portion of the Property may be exercised only by the Declarant that owns such Lot or portion of the Property; and (d) all rights and privileges that requires affirmative action and is not exercisable as to a specific Lot or portion of the Property (e.g., appointment of the Board pursuant to Section 3.2 below; approval of the Association Rules pursuant to Section 3.3 below; appointment of Architectural Committee pursuant to Section 6.1 below; adoption of the Design Guidelines pursuant to Section 6.2 below; annexation of property pursuant to Section 12.5 below; and de-annexation of property pursuant to Section 12.6 below) may be exercised solely by Taylor Morrison and/or its successor or any person that is assigned the rights of Taylor Morrison under this subsection (d) by express recorded instrument. No successor Declarant shall have any liability resulting from any actions or inactions of any preceding Declarant unless expressly assumed by the successive Declarant, in which event the preceding Declarant shall be released from liability. If there is more than one Declarant, the obligations and liabilities of each

Declarant under this Declaration shall be limited to the obligations that relate to the Lots within the Project then owned by such Declarant at the time liabilities or obligations arose, such liability shall not be joint or joint and several, and a Declarant shall not be liable for the actions or inactions or another Declarant.

Section 1.13 "Declaration" means the provisions of this document and any amendments hereto.

Section 1.14 "Designated Builder" means any Builder that is designated by Declarant as a "Designated Builder" in a supplemental declaration and by such designation receives certain rights as expressly provided in this Declaration.

Section 1.15 "Design Guidelines" shall mean those design guidelines and rules and procedures established by the Declarant pursuant to Section 6.2 below of this Declaration, as may be amended from time-to-time by the Architectural Committee.

Section 1.16 "First Mortgage" means any mortgage, deed of trust, or contract for deed on a Lot which has priority over all other mortgages, deeds of trust and contracts for deed on the same Lot. A contract for deed is a recorded agreement whereby the purchaser of a Lot acquires possession of the Lot but does not acquire legal title to the Lot until a deferred portion of the purchase price for the Lot has been paid to the seller.

Section 1.17 "First Mortgagee" means the holder of any First Mortgage.

Section 1.18 "Improvement" means buildings, roads, driveways, parking areas, fences, walls, rocks, hedges, plantings, planted trees and shrubs, and all other structures or landscaping improvements of every type and kind.

Section 1.19 "Lot" or "lot" means any Lot shown on a Plat. For purposes of voting on any issue required to receive the approval of the Owners, the Owner of a parcel not yet subject to the Plat but zoned for residential use shall be deemed to be the Owner of the maximum number of Lots into which such parcel may be subdivided under then applicable zoning and other legal requirements.

Section 1.20 "Member" means any person, corporation, partnership, joint venture, limited liability company, or other legal entity who is a member of the Association.

Section 1.21 "Occupant" shall mean any person, other than the Owner, occupying or in possession of a Lot, or any portion thereof or any building or structure thereon, whether as a lessee under a lease or otherwise.

Section 1.22 "Owner" or "owner" shall mean the record owner, except as provided below, whether one or more persons or entities, of fee simple title to any lot, including without limitation, one who is buying a lot under a recorded contract, but excluding others having an interest merely as security for the performance of an obligation. In the case of a lot where fee simple title is vested of record in a trustee under a deed of trust, legal title shall be deemed to be

in the trustor. In the case of a lot where fee simple title is vested in a trustee pursuant to a trust agreement, the beneficiary entitled to possession shall be deemed to be the Owner. In the case of a lot where fee simple title is vested in a party which has entered into a lending option or sale agreement pursuant to which a Declarant or a Designated Builder has the option or other right to purchase the lot from such land banker, the Declarant or Designated Builder holding the option or purchase right shall be deemed the "Owner."

Section 1.23 "Plat" means any recorded subdivision plat or plats of any portion of the Property.

Section 1.24 "Project" means the Property together with all buildings and other Improvements located thereon and all easements, rights and privileges appurtenant thereto.

Section 1.25 "Project Documents" means this Declaration and the Articles, Bylaws, Association Rules and Design Guidelines.

Section 1.26 "Purchaser" means any person other than a Declarant or a Designated Builder, who by means of a voluntary transfer becomes the Owner of a Lot except for an Owner who purchases a Lot and then leases it to a Declarant for use as a model in connection with the sale of other Lots.

Section 1.27 "Residential Unit" means any building situated upon a Lot and designed and intended for independent ownership and for use and occupancy as a residence by a Single Family.

Section 1.28 "Single Family" shall mean an individual living alone, a group of two or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three persons not all so related, together with their domestic servants, who maintain a common household in a dwelling.

Section 1.29 "Single Family Residence" shall mean a building, house or dwelling unit used as a residence for a Single Family, including any appurtenant garage or storage area.

Section 1.30 "Single Family Residential Use" shall mean the occupation or use of a Single Family Residence in conformity with this Declaration and the requirements imposed by applicable zoning laws or other state, county or municipal rules and regulations.

Section 1.31 "Visible from Neighboring Property" or "visible from neighboring property" shall mean that an object is or would be visible to a person six feet (6') tall standing on a neighboring lot, neighboring Common Area, or street at an elevation not greater than the elevation at the base of the object being viewed.

Section 1.32 "Vote" or "Votes" means, with respect to votes of Members, a vote or votes cast by Members entitled to vote either: (a) in person; or (b) by absentee ballot; or (c) only if prior to the termination of Class B membership, by a proxy duly appointed by a written instrument signed by a Member. Thus, by way of example and not limitation, a provision in this Declaration that requires that an action be approved by a "75% Vote" (or by "75% of the Votes")

means that the action in question would have to receive the affirmative vote of Members holding at least 75% of votes of Members of the Association that are entitled to be cast and that are held by Members who are: (i) present at a meeting duly called for such purpose, or (ii) cast by Members by absentee ballot; or (iii) if prior to the termination of Class B membership, cast by Members pursuant to a valid proxy. Proxies are not permitted and shall not be counted for any purpose after the expiration or termination of the Class B membership.

ARTICLE II PLAN OF DEVELOPMENT

Section 2.1 Property Initially Subject to the Declaration. This 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, 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 plan for the development and use of the Property and hereby evidences his intent 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. Declarant, its successors, assigns and grantees, covenants and agrees that the Lots and the membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and such 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 III THE ASSOCIATION; RIGHTS AND DUTIES, MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Rights, Powers and Duties. The Association shall be a non-profit Arizona corporation charged with the duties and invested with the powers prescribed by law and set-forth in the Project Documents together with such rights, powers and duties as may be reasonably necessary to effectuate the objectives and purposes of the Association as set-forth in the Project Documents. Unless the Project Documents specifically require a vote of the Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board. A copy of the Articles and Bylaws of the Association shall be available for inspection at the office of the Association during reasonable business hours.

Section 3.2 Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors and such officers and committees as the Board may elect or appoint in accordance with the Articles and the Bylaws. Until termination of the Class B

membership, Declarant shall have the right to appoint and remove members of the Board. After termination of the Class B membership, the Members shall elect the Board as provided in the Bylaws.

Section 3.3 Association Rules. The Board may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations; provided, however, that such Association Rules shall not be effective at any time that Declarant owns any Lot unless: (i) such Association Rules have been approved by Declarant in writing; or (ii) the Class B Membership still exists. The Association Rules may restrict and govern the use of any area by any Owner or Occupant, or by any invitee, lessee, family member, employee, or agent of such Owner or Occupant, except that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. Upon adoption, the Association Rules shall have the same force and effect as if they were set-forth in and were a part of this Declaration.

Section 3.4 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.

Section 3.5 Transfer of Membership. Membership in the Association shall be appurtenant to each Lot and a membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Lot and then only to such Purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association. The Association shall have the right to charge a transfer fee as established by the Board to the Purchaser in connection with any transfer of a Lot.

Section 3.6 Classes of Members. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of each Declarant and each Designated Builder until the termination of the Class B membership. Each Class A Member shall be entitled to one (1) vote for each Lot owned.

Class B. The Class B Members shall be each Declarant and each Designated Builder. Each Class B Member shall be entitled to three (3) votes for each Lot owned by such member. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (i) When all of the Lots have been conveyed to Purchasers; or
- (ii) Twenty (20) years after the conveyance of the first Lot to a Purchaser; or

(iii) When each Declarant and each Designated Builder notifies the Association in writing that it relinquishes its Class B membership.

The termination of the Class B membership shall only change the voting rights of the Declarant and the Designated Builders under this Declaration, but shall not affect the other rights, privileges and exemptions of the Declarant and the Designated Builders under this Declaration.

Section 3.7 Joint Ownership. When more than one (1) person is the Owner of any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the joint Owners among themselves determine, but in no event shall more than one (1) ballot be cast with respect to any Lot. The vote or votes for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot 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. In the event more than one (1) ballot is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Section 3.8 Corporate Ownership. In the event any Lot is owned by a corporation, partnership, limited liability company, or other association, the corporation, partnership, limited liability company or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the president, general partner, manager, managing member, or chief executive officer of such corporation, partnership, limited liability company or association shall have the power to vote the membership.

Section 3.9 Suspension of Voting Rights. In the event any Owner is in arrears in the payment of any Assessments or other amounts due under any of the provisions of the Project Documents for a period of fifteen (15) days, said Owner's right to vote as a Member of the Association shall be suspended for a period not to exceed sixty (60) days for each infraction of the Project Documents, and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current.

Section 3.10 Fines. The Association, acting through its Board, shall have the right to adopt a schedule of fines for violation of any provision of the Project Documents by any Owner or such Owner's Occupants, invitees, lessees, family members, employees or agents. No fine shall be imposed without first providing a written warning to the Owner describing the violation and an opportunity to be heard. Subject to any limitations imposed by law, all fines shall constitute a lien on all lots owned by the Owner and shall be paid within thirty (30) days following imposition. Except as otherwise limited by applicable law, failure to pay any fine shall subject the Owner to the same potential penalties and enforcement as failure to pay any assessments under Article IV below of this Declaration.

Section 3.11 Limitation on Claims. No claim arising against Declarant or a Designated Builder or any officer, director, member, manager, employee or other representative of Declarant and each Designated Builder, including without limitation any claims arising from Declarant's

and each Designated Builder's exercise of any right arising from Declarant's and each Designated Builder's Class B membership or arising from any action or inaction by any person in such person's capacity as an officer, director, member or manager of the Association, shall be asserted by the Association more than six (6) months following the later of termination of the Class B membership or the termination of such person's service as an officer or director of the Association. All claims that are not filed in a proper court within the foregoing time period shall be deemed forever waived and released. This Section shall not be subject to amendment without the written approval of the Declarant.

Section 3.12 Liability for Others. Each Owner or Occupant shall cause their invitees, lessees, family members, employees, and agents to comply with this Declaration and the other Project Documents and, to the extent permitted by applicable law, shall be responsible and liable for all violations and losses caused by such invitees, lessees, family members, employees, and agents, notwithstanding the fact that such invitees, lessees, family members, employees, and agents are also fully liable for any violation of each and all of those documents.

Section 3.13 Bulk Service Agreements. The Board, acting on behalf of the Association, shall have the right, power and authority to enter into one (1) or more Bulk Service Agreements with one (1) or more Bulk Providers (each of which terms is defined below), for such term(s), at such rate(s) and on such other terms and conditions as the Board deems appropriate, all with the primary goals of providing to Owners and Occupants of Lots within the Property services, including, without limitation, electronic services (cable television, community satellite television, high speed Internet, security monitoring, data, communication or security services), wastewater and water services, fire protection, pest control, trash collection services, and recyclable materials collection services (individually or collectively "Bulk Service(s)"): (a) which might not otherwise be generally available to such Owners and Occupants; (b) at rates or charges lower than might otherwise generally be charged to Owners and Occupants for the same or similar services; (c) otherwise on terms and conditions which the Board believes to be in the interests of Owners and Occupants generally; or (d) any combination of the foregoing.

If all Lots within the Property are to be served by a particular Bulk Service Agreement, the Board shall have the option either to: (a) include the Association's costs under such Bulk Service Agreement in the budget for each applicable fiscal year and thereby include such costs in the annual assessments for each such applicable year; or (b) separately bill each Owner his proportionate share of the Association's costs under such Bulk Service Agreement (as reasonably determined by the Board, and with such frequency as may be determined by the Board, but no more often than monthly). If not all Lots within the Property will be served by a particular Bulk Service Agreement, the Board shall have only the billing option described in clause (b) above.

The Declarant, for each Lot, hereby covenants and agrees, and each Owner other than the Declarant, by becoming the Owner of a Lot, is deemed to covenant and agree, to pay all amounts levied or charged against or to him or his Lot by the Board pursuant to this Section 3.13, and all such amounts: (a) shall be deemed to be a part of the Assessments against the Lots against or to which they are levied or charged (or against or to whose Owners they are levied or charged); (b) 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 amounts, shall be secured by the lien for Assessments established by this Declaration; and (c) as with other

Assessments, shall also be the personal obligation of each person who was an Owner of the Lot at the time such amount became due (which personal obligation for delinquent amounts shall not pass to the successors in title of the Owner unless expressly assumed by them unless title is transferred to one or more such successors for purposes of avoiding payment of such amounts or other Assessments or is transferred to a person controlling, controlled by or under common control with the Owner transferring title).

No Owner of a Lot covered by a Bulk Service Agreement shall be entitled to avoid or withhold payment of amounts charged by the Board to such Owner or such Owner's Lot under this Section 3.13, whether on the basis that such Owner does not use, accept or otherwise benefit from the services provided under such Bulk Service Agreement, or otherwise. However, the Board shall have the right, at its option, to exempt from payment of such amounts any Lot upon which no Residential Unit or other building has been completed.

"Bulk Provider" means a private, public or quasi-public utility or other company which provides, or proposes to provide any Bulk Service(s) (as defined above) to Lots within the Property, or within one (1) or more portions thereof, pursuant to a "Bulk Service Agreement" (as defined below).

"Bulk Service Agreement" means an agreement between the Association and a Bulk Provider pursuant to which the Bulk Provider would provide any Bulk Service(s) to Lots with the Property, or within one or more portions thereof.

Prior to the termination of the Class B membership, the Board shall not, without the approval of Members holding at least fifty-one percent (51%) of all Class A votes enter into a Bulk Service Agreement which imposes on the Association or its Members (other than Declarant or a Builder which, in either case, agrees in writing thereto) any obligation to pay the direct costs of construction of any cables, lines or other facilities or equipment for any such Bulk Services, but nothing in this Section 3.13 shall prevent the Board from entering into, or requiring the approval by the Members of, any Bulk Service Agreement which imposes on the Association or its Members installation, connection, service charge or similar charges or fees which do not exceed those generally prevailing at the time within the greater Phoenix, Arizona area, or which includes as a component of the monthly fee charged by the Bulk Provider amortization of some or all of its capital costs and related costs in providing services under the Bulk Service Agreement.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it, hereby covenants, and each Owner of a Lot, by becoming the Owner thereof, whether or not it is expressed in the deed or other instrument by which the Owner acquired ownership of the Lot, is deemed to covenant and agree to pay to the Association annual assessments, special assessments, and any applicable neighborhood assessments. The annual, special, neighborhood assessments, and the Subsidy Amounts payable under Section 4.3(E) below of this Declaration, together with interest, costs and reasonable attorneys' fees,

shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 4.2 Purpose of the Assessments. The Assessments levied by the Association shall be used exclusively for: (i) the upkeep, maintenance and improvement of the Common Area; (ii) maintenance, repair, replacement, and operation of rights-of-way and easements within or immediately adjacent to the Project (e.g. landscaping and sidewalks within the right-of-way of adjoining streets or Tract DD of the Replat of Las Brisas Phase 2A, recorded in the official records of Maricopa County, Arizona at Instrument No. 2009-0069395) to the extent that such actions are required by government entities or deemed appropriate by the Board, or to the extent that the Association is obligated to take such actions; (iii) promoting the recreation, health, safety and welfare of the Owners and other lawful occupants of Lots within the Property; and (iv) the performance and exercise by the Association of its rights, duties and obligations under the Project Documents. Notwithstanding the foregoing, neighborhood assessments shall be used only for the benefit of the neighborhood paying such assessments, shall not be used for any purpose that is covered by annual assessments or special assessments in other areas of the Property, and shall be accounted for separately from annual and special assessments.

Section 4.3 Annual Assessment.

(A) For each fiscal year of the Association starting upon the commencement of annual assessments pursuant to Section 4.6 below of this Declaration, the Board shall adopt a budget for the Association containing an estimate of the total amount of funds which the Board believes to be required during the ensuing fiscal year to pay all Common Expenses including, but not limited to: (i) the amount required to pay the cost of maintenance, management, operation, repair and replacement of the Common Area and those parts of the Lots, if any, which the Association has the responsibility of maintaining, repairing or replacing under the Project Documents; (ii) the cost of wages, materials, insurance premiums, services, supplies and maintenance or repair of the Common Area and for the general operation and administration of the Association; (iii) the amount required to render to Owners all services required to be rendered by the Association under the Project Documents; and (iv) such amounts as may be necessary to provide general operating reserves and reserves for contingencies and replacement.

(B) For each fiscal year of the Association starting upon the commencement of annual assessments pursuant to Section 4.6 below of this Declaration, the total amount of the estimated Common Expenses shall be assessed by the Board. Except to the extent that this Declaration expressly provides for: (a) neighborhood assessments only on Lots benefiting from such neighborhood assessments; (b) reduced assessments; or (c) exemptions from assessments, all assessments shall be equal on all Lots.

(C) A Designated Builder shall be obligated to pay only twenty-five percent (25%) of the annual assessment attributable to a Lot until the earliest of: (i) the date on which a certificate of occupancy or similar permit is issued by the appropriate governmental authority for

the Residential Unit on the Lot; (ii) six (6) months from the date on which a building permit is issued by the appropriate governmental authority for construction of a Residential Unit on the Lot; or (iii) two (2) years after the Lot was conveyed to the Designated Builder by the Declarant. If a Lot ceases to qualify for the reduced twenty-five percent (25%) rate of assessment during the period to which an annual assessment is attributable, the annual assessment shall be prorated between the applicable rates on the basis of the number of days in the assessment period that the Lot qualified for each rate.

(D) The Declarant shall be exempt from payment of annual assessments on Lots owned by the Declarant. If a Lot ceases to be owned by Declarant and therefore becomes subject to assessment during the period to which an annual assessment is attributable, the assessment shall be prorated based on the basis of the number of days in the assessment period that the Lot is not owned by Declarant.

(E) The Declarant and each Designated Builder paying reduced assessments pursuant to Section 4.3(C) above shall pay to the Association any amounts (hereinafter "Subsidy Amounts") which, in addition to the annual assessments levied by the Association, may be required by the Association in order for the Association to fully perform its duties and obligations under the Project Documents, including the obligation to adequately fund the reserve account prior to the termination of the Class B membership. Notwithstanding the foregoing, neither Declarant nor any Designated Builder shall have any obligation to pay any combination of Subsidy Amounts and assessments during any calendar year in excess of the total amount that Declarant or such Designated Builder would have paid during such calendar year if such person were paying full assessments. Any estimated payment by the Declarant or Designated Builder to fund Subsidy Amounts under this Section in excess of such person's actual obligation for Subsidy Amounts under this Section shall, at Declarant's option, be credited toward payment of Declarant's and such Designated Builder's next due assessment payment(s) or refunded to the payors thereof; for example, if Declarant and such Designated Builders pay \$25,000 to the Association in the middle of a calendar year to fund estimated Subsidy Amounts and the actual Subsidy Amounts required as of the end of the year would have been only \$20,000 in the absence of such payment, Declarant and such Designated Builders shall be entitled to a \$5,000 credit toward their next due assessment payment or a refund of \$5,000. Any Subsidy Amounts payable by Declarant and Designated Builders under this Section shall be paid solely by Declarant until such time as Declarant has paid assessments on Lots owned by Declarant at a rate of 25% of the annual assessment and thereafter allocated among Declarant and Designated Builders paying reduced assessments on the basis of the respective number of lots owned by Declarants and such Designated Builders as of such date as the Board determines that payment is necessary under this Section 4.3(E). Payments under this Section shall be made by Declarant and Designated Builders paying reduced assessments on such basis as the Association may determine from time to time, but in no event more often than monthly or less often than annually.

(F) The Board shall give notice of the annual assessment to each Owner at least thirty (30) days prior to the beginning of each fiscal year of the Association, 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.

(G) The maximum annual assessment for each fiscal year of the Association shall be the maximum amount allowed by state statute, but in no event shall the annual assessment be more than 20% higher than the immediately preceding fiscal year.

(H) If the Board determines during any fiscal year that its funds budgeted or available for that fiscal year are, or will, become inadequate to meet all Common Expenses for any reason, including, without limitation, nonpayment of Assessments by Members, it may increase the annual assessment for that fiscal year and the revised annual assessment shall commence on the date designated by the Board except that no increase in the annual assessment for any fiscal year which would result in the annual assessment exceeding the maximum annual assessment for such fiscal year shall become effective until approved by Members casting at least two-thirds (2/3) of the votes cast by Members who are voting at a meeting duly called for such purpose.

Section 4.4 Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any fiscal year, a special assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Area, including fixtures and personal property related thereto, or for any other lawful Association purpose, provided that any such special assessment shall have the assent of Members having at least 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. Special assessments shall be levied at a uniform rate for all Lots.

Section 4.5 Notice and Quorum for Any Action Authorized Under Sections 4.3 or 4.4. Written notice of any meeting called for the purpose of obtaining the consent of the Members for any action for which the consent of the Members is required under Sections 4.3 and 4.4 above shall be sent to all Members no less than thirty (30) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies (assuming the Class B membership is still in effect) entitled to cast sixty percent (60%) of all the votes of each class of Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.6 Date of Commencement of Annual Assessments; Due Dates. The annual assessments shall commence as to all Lots on the first day of the month following: (i) transfer of any Common Area to the Association; or (ii) conveyance of the first Lot to a Purchaser, whichever is earlier. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board may require that the annual assessment be paid in installments and in such event the Board shall establish the due dates for each installment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association or the Association's designated agent setting forth whether the Assessments on a specified Lot have been paid.

Section 4.7 Effect of Non-payment of Assessments; Remedies of the Association.

(A) Any Assessment, or any installment of an Assessment, not paid within thirty (30) days after the Assessment, or the installment of the Assessment, first became due shall have added to such Assessment or installment, the greater of: (i) ten percent (10%) of the amount of the unpaid Assessment; or (ii) a late charge in the maximum amount permitted under applicable Arizona law. Any amounts paid by a Member shall be applied first to unpaid principal amount of the assessment and then to late charges or interest. Any Assessment, or any installment of an Assessment, which is delinquent shall become a continuing lien on the Lot against which such Assessment was made. The Assessment Lien may be placed of record by the recordation of a "Notice of Claim of Lien" which shall set-forth: (i) the name of the delinquent Owner as shown on the records of the Association; (ii) the legal description and/or street address of the Lot against which the claim of lien is made; (iii) the amount claimed as of the date of the recording of the notice including late charges, interest, lien recording fees, reasonable collection costs and reasonable attorneys' fees; and (iv) the name and address of the Association.

(B) The Assessment Lien shall have priority over all liens or claims created subsequent to the recordation of this Declaration except for: (i) tax liens for real property taxes on the Lot; (ii) assessments on any Lot in favor of any municipal or other governmental body; and (iii) the lien of any First Mortgage.

(C) Before recording a Notice of Claim of Lien against any Lot, the Association shall make a written demand to the defaulting Owner for payment of the delinquent Assessments together with late charges, interest, reasonable collection costs 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 or claim of lien but any number of defaults may be included within a single demand or claim of lien. If the delinquency is not paid within ten (10) days after delivery of the demand, the Association may proceed with recording a Notice of Claim of Lien against the Lot of the defaulting Owner. The Association shall not be obligated to release the Assessment Lien until all delinquent Assessments, late charges, interest, lien recording fees, reasonable collection costs and reasonable attorneys' fees have been paid in full whether or not all of such amounts are set-forth in the Notice of Claim of Lien.

(D) The Association shall have the right, at its option, to enforce collection of any delinquent Assessments together with late charges, interest, lien recording fees, reasonable collection costs, 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 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 at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots purchased at such sale.

Section 4.8 Subordination of the Lien to Mortgages. The Assessment Lien shall be subordinate to the lien of any First Mortgage. The sale or transfer of any Lot shall not affect the Assessment Lien, except that the sale or transfer of a Lot pursuant to judicial or nonjudicial

foreclosure of a First Mortgage or any bona fide, good faith proceeding in lieu thereof shall extinguish the Assessment Lien as to payments which became due prior to the sale or transfer. No sale or transfer shall relieve the Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 4.9 Exemption of Owner. No Owner of a Lot may exempt himself from liability for Assessments levied against his Lot or for other amounts which he may owe to the Association under the Project Documents by waiver and non-use of any of the Common Area and facilities or by the abandonment of his Lot.

Section 4.10 Maintenance of Reserve Fund. Out of the annual assessments and other income, the Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area.

Section 4.11 No Offsets. All Assessments and other amounts payable to the Association shall be payable in accordance with the provisions of the Project Documents, and no offsets against such Assessments or other amounts shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Project Documents.

Section 4.12 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.

Section 4.13 Working Capital Fee. To ensure that the Association shall have adequate funds to meet its expenses, purchase necessary equipment or services and/or establish adequate reserves, each and every Owner (other than Declarant or a Designated Builder) who purchases a Lot (whether such purchase is from a Designated Builder, from another Owner, or from any other person) shall pay to the Association immediately upon becoming the Owner of the Lot the amount equal to one-sixth (1/6) of the current annual assessment for such Lot, or such other amount (either lesser or greater) as may be established by the Board from time to time (a "Working Capital Fee"). Fees paid to the Association pursuant to this Section may be used by the Association for payment of operating expenses or any other purpose permitted under this Declaration including the establishment of reserves. Working Capital Fees paid pursuant to this Section shall be nonrefundable and shall not be offset or credited against or considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration or any other obligations arising under this Declaration.

Section 4.14 Neighborhood Assessments. The Board shall have the right to impose neighborhood assessments against Lots in any specific area of the Property in order to provide for the repair, replacement, operation and maintenance of Common Areas within such area that are different from or in addition to the types of Common Areas in the balance of the Property and that are designed to benefit less than all of the Property (e.g. private streets, separate entryways or gates, enhanced landscaping, community centers, swimming pools). Any such determination by the Board shall be made in a writing specifying the purposes of the neighborhood assessment and the Lots subject thereto. Any such determination by the Board may also include an

additional imposition on such Lots pursuant to Section 4.13 above in order to fund a reserve account for the specific improvements intended to be maintained by the neighborhood assessment.

Section 4.15 Declarant Audit Right. Following the termination of the Class B membership and so long as Declarant owns any lot, the Declarant shall have the right to audit the books and records of the Association.

Section 4.16 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.

ARTICLE V USE RESTRICTIONS

Section 5.1 Residential Use. Except as otherwise provided herein, all lots shall be improved and used only for Single Family Residential Use. No gainful occupation, profession, trade or other commercial activity shall be conducted on any lot; provided, however, the Declarant any and Designated Builder (subject to the approval of Declarant) may use the lots for such facilities as in its sole opinion may be reasonably required, convenient or incidental to the construction and sale of Residential Units, including, without limitation, a business office, storage areas, construction yards, signs, a model site or sites, and a display and sales office. Notwithstanding the foregoing, home businesses are permitted on the lots provided they are in accordance with applicable municipal ordinances for home business in residential districts.

Section 5.2 Building Type and Size. Except as otherwise expressly permitted under the Design Guidelines, no building shall be constructed or permitted to remain on any lot other than one (1) detached Single Family Residence not to exceed two (2) stories in height, including an attached garage. Additional structures, such as above-ground pools, detached garages, storage sheds, tool sheds, gazebos, casitas, or similar structures are allowed only if expressly permitted under the Design Guidelines. Unless otherwise approved in writing by the Architectural Committee, all buildings shall be of new construction and no prefabricated structure shall be placed upon any lot if Visible from Neighboring Property; however, storage structures and/or a sales office may be maintained upon any lot or lots by the Declarant and any Designated Builder (subject to the approval of Declarant) for the purpose of erecting and selling Residential Units on the Property or for the purpose of constructing Improvements on the Common Area, but such temporary structures shall be removed upon completion of construction or selling of a Residential Unit or the Common Area, whichever is later. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out buildings shall be used on any lot at any time as a residence, either temporarily or permanently. Declarant and contractors for Declarant shall have the right to place temporary construction trailers and store materials on the Common Areas for the purpose of constructing Improvements on the Common Areas.

Section 5.3 Signs. No sign of any kind which is Visible From Neighboring Property shall be installed or displayed on any Lot or Common Area without the prior written approval of the Architectural Committee as to size, color, design, message content, number and location except: (i) such signs as may be used by Declarant or any Designated Builder (subject to the approval of Declarant) in connection with the development and sale of Lots and/or Residential Units or Common Area in the Project; (ii) such signs as may be required by legal proceedings, or which by law, may not be prohibited; (iii) one temporary sign per Lot no larger than 30" x 24" used exclusively to advertise the Lot for sale; (iv) a maximum of one political sign (as defined in A.R.S. §33-1808) with maximum dimensions of 24 inches by 24 inches (or such greater number and/or greater size of political signs permitted by ordinances if the governing body regulates the size and number of political signs on residential property) may be placed on a Lot by the Owner of that Lot; provided, however, that no political signs may be displayed pursuant to this Section 5.3 earlier than 45 days before an election day or more than 7 days after an election day; or (v) such signs as may be desired by Declarant or required for traffic control, construction job identification, builder identification, and subdivision identification as are in conformance with governmental requirements. All other signs must be approved in advance in writing by the Architectural Committee as provided above. All signs must conform to applicable ordinances and other governmental requirements and must be professionally fabricated and maintained in good condition and repair.

Section 5.4 Noxious and Offensive Activity. No noxious or offensive activity shall be allowed on the Lots nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners and Occupants of their respective lots and residences. Without limiting the generality of the foregoing, no speakers, horns, sirens or other sound devices, except security devices used exclusively for security purposes, shall be located or used on a lot. The provisions of this Section shall not apply to any activity of Declarant or any Designated Builder or their respective employees, agents, or contractors during the course of construction activities or sales activities upon or about the Property.

Section 5.5 Parking. Parking of Vehicles (as defined in Section 5.6) is prohibited in the front yard of lots except on a driveway. Parking of Vehicles on any street within the Property is prohibited except that Vehicles that are too large to fit on a driveway may park on the portion of the street directly adjacent to the Owner's lot during daylight hours only and must either be put into the garage or removed from the Property during nighttime hours. Notwithstanding the foregoing and subject to Section 5.6 below, Vehicles owned by guests or invitees of an Owner or Occupant may be parked on the street for a temporary period of time not to exceed seventy-two (72) hours in any seven (7) day period provided that such parking is done in a fashion so as not to obstruct driveways on other lots or traffic within the Property. Parking of any inoperable Vehicle anywhere on a lot or anywhere on a street within the Property is prohibited. No part of any Vehicle may be parked over any part of a sidewalk because such parking may impede use of the sidewalks, particularly for persons with disabilities using the sidewalks. The provisions of this Section 5.5 shall not apply to: (a) Vehicles that are exempt from this subsection under applicable law; (b) Vehicles of Declarant or any Designated Builder or their respective employees, agents, or contractors during the course of construction activities or sales activities upon or about the Property; or (c) Vehicles used by the Association in

repairing, maintaining and replacing the Common Areas and all Improvements thereon, and in performing all other rights, duties and obligations of the Association under this Declaration.

Section 5.6 Motor Vehicles.

(A) No automobile, truck, motorcycle, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or other similar equipment or motor vehicle of any kind (collectively, "Vehicles" and individually a "Vehicle") shall be parked, kept or maintained on the Common Area. Vehicles that exceed 18.5 feet in length, 6.25 feet in height or 7.0 feet in width are prohibited on the Property unless: (i) parked in the rear or side yard of a lot in a manner that such Vehicles are not Visible from Neighboring Property; or (ii) owned by any invitee, family member, employee or agent of any Owner or Occupant and parked on a Lot only during such time as the invitee, family member, employee or agent is visiting the Owner or Occupant, but in no event shall such a motor Vehicle be parked on a Lot for more than seven (7) days during any six (6) month period of time. Any Vehicle, regardless of size, that is parked in the rear or side yard of any Lot must be parked so as not to be Visible from Neighboring Property.

(B) Except for emergency Vehicle repairs on a Lot, no Vehicle of any kind shall be constructed, reconstructed or repaired on any Lot or the Common Area. No inoperable Vehicle or Vehicle which because of missing fenders, bumpers, hoods or other parts or because of lack of proper maintenance is, in the sole opinion of the Architectural Committee, unsightly or detracts from the appearance of the Project shall be stored, parked or kept on any Lot.

(C) No Vehicle classed by manufacturer rating as exceeding one (1) ton and no commercial Vehicle may be parked or stored on any area in the Project so as to be Visible from Neighboring Property; provided, however, this provision shall not apply to Vehicles that are pickup trucks of less than one (1) ton capacity with camper shells not exceeding 7.0 feet in height and 18.5 feet in length which are parked as provided in Section 5.5 above and are used on a regular and recurring basis for transportation. For purposes of this Section, commercial Vehicles shall mean any Vehicle that: (i) displays the name, tradename, telephone number or other identifying information of any business or governmental entity; or (ii) otherwise bears the appearance of a commercial Vehicle by reason of its normal contents (e.g. trade goods, extensive tools, ladders), as reasonably determined by the Architectural Committee.

(D) The provisions of this Section 5.6 shall not apply to: (a) Vehicles that are exempt from this subsection under applicable law; (b) Vehicles of Declarant or any Designated Builder or their respective employees, agents, or contractors during the course of construction activities or sales activities upon or about the Property; or (c) Vehicles used by the Association in repairing, maintaining and replacing the Common Areas and all Improvements thereon, and in performing all other rights, duties and obligations of the Association under this Declaration.

Section 5.7 Towing of Vehicles. The Association shall have the right to have any Vehicle 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 shall be paid to the Association upon demand by the owner of the Vehicle. If the Vehicle towed is owned by an Owner, then the cost incurred by the Association in towing the vehicle or equipment shall be assessed against the Owner and his Lot and be payable on demand, and such cost shall be secured by the Assessment Lien.

Section 5.8 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any lot except such machinery or equipment as is usual and customary in connection with the use or maintenance of Improvements constructed by the Declarant or approved by the Architectural Committee. The provisions of this Section shall not apply to any activity of Declarant or any Designated Builder or their respective employees, agents, or contractors during the course of construction or sales activities upon or about the Property.

Section 5.9 Restrictions and Further Subdivision. No lot shall be further subdivided or separated into smaller lots or parcels by any Owner other than the Declarant, and no portion less than all or an undivided interest in all of any lot shall be conveyed or transferred by any Owner other than the Declarant. Notwithstanding the foregoing and subject to compliance with any applicable ordinances, a vacant lot may be split between the Owners of the lots adjacent to such lot so that each portion of such lot would be held in common ownership with another lot adjacent to that portion. Subject to the approval of any and all appropriate governmental agencies having jurisdiction and notwithstanding any other provision of this Declaration, Declarant and each Designated Builder shall have the right at any time, without the consent of other Owners, to re-subdivide and re-plat any lot or lots which the Declarant or Designated Builder then owns and has not sold.

Section 5.10 Windows. Within ninety (90) days of occupancy of a Residential Unit each Owner shall install permanent suitable window treatments that are Visible from Neighboring Property. No reflective materials, including, but without limitation, aluminum foil, reflective screens or glass, mirrors or similar type items, shall be installed or placed upon the outside or inside of any windows.

Section 5.11 HVAC. Except as initially installed by the Declarant or any Designated Builder (subject to approval of the Declarant), no heating, air conditioning, or evaporative cooling unit shall be placed, constructed or maintained upon any lot without the prior written approval of the Architectural Committee.

Section 5.12 Garages and Driveways. The interior of all garages situated on any lot shall be maintained in a neat and clean condition. Garages shall be used only for the parking of Vehicles and the storage of normal household supplies and materials and shall not be used for or converted to living quarters or recreational activities after the initial construction thereof without the prior written approval of the Architectural Committee. Garage doors shall be left open only as needed for ingress and egress.

Section 5.13 Installation of Landscaping.

(A) Within ninety (90) days after becoming the Owner of a Lot, the Owner shall install landscaping and irrigation improvements in that portion of his Lot which is between the street(s) adjacent to his Lot and the exterior wall of his Residential Unit or any wall separating the side or rear yard of the Lot from the front yard of the Lot. In addition, within ninety (90) days after becoming the Owner of a Lot, the Owner shall install landscaping and irrigation improvements in any side or rear yard of the Lot which is not completely enclosed by a solid wall or fence that is at least six (6) feet high. The landscaping and irrigation improvements shall be installed in compliance with the Design Guidelines and the applicable requirements of the applicable municipal zoning ordinances. Prior to installation of such landscaping, the Owner shall maintain the portions of such Lot required to be landscaped in a weed-free condition.

(B) If any Owner fails to landscape any portion of his Lot within the time provided for in this Section, the Association shall have the right, but not the obligation, to enter upon such Owner's Lot to install such landscaping improvements as the Association deems appropriate, and the cost of any such installation shall be paid to the Association by the Owner of the Lot, upon demand from the Association. Any amounts payable by an Owner to the Association pursuant to this Section shall be secured by the Assessment Lien, and the Association may enforce collection of such amounts in the same manner and to the same extent as provided elsewhere in this Declaration for the collection and enforcement of assessments.

(C) This Section 5.13 shall not apply to Declarant or any Builder with respect to any Lot or any other property that has not been conveyed to an Owner with a residence already constructed thereon, except that this Section 5.13 shall apply upon commencement of residential occupancy of any Lot containing a residence.

Section 5.14 Leasing Restrictions. All lessees shall be in writing and shall be subject to the terms and conditions of this Declaration and the Project Documents. Each Owner shall cause his lessees or other occupants to comply with this Declaration and the Project Documents and, to the extent permitted by applicable law, shall be responsible and liable for all violations and losses caused by such occupants, notwithstanding the fact that such lessees or occupants are also fully liable for any violation of each and all of those documents. All leases must be for an entire residence and lot and must have a minimum term of one hundred and eighty days (180) days. A copy of the lease or rental agreement and the Owner's address shall be provided to the Association within ten (10) days following execution of the lease or rental agreement. The provisions of this Section 5.14 shall not apply to any Declarant's or any Designated Builder's use of Lots owned by (or leased to) a Declarant or a Designated Builder, as applicable, as a model home or for marketing purposes.

Section 5.15 Animals. No animals, insects, livestock, or poultry of any kind shall be raised, bred, or kept on or within any lot or structure thereon except that dogs, cats or other common household pets (types and breeds limited to those determined to be acceptable by the Board) may be kept on or within the lots, provided they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers as determined by the Architectural Committee. Notwithstanding the foregoing, no animals or fowl may be kept on any lot which results in a

nuisance to, which is an annoyance to, or which are obnoxious to other Owners in the vicinity. All pets, required by any law, must be kept within a fenced yard or on a leash under the control of the Owner at all times. No structure for the care, housing or confinement of any animal or fowl shall be maintained so as to be Visible from Neighboring Property.

Section 5.16 Drilling and Mining. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in any lot nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted on any lot. No derrick or other structure designed for use in boring for or removing water, oil, natural gas or other minerals shall be erected, maintained or permitted upon any lot.

Section 5.17 Refuse. All refuse, including without limitation all animal wastes, shall be regularly removed from the lots and shall not be allowed to accumulate thereon. Until removal from the lots, refuse shall be placed in closed refuse containers with operable lids so that such containers are not open to the air. Refuse containers shall be kept clean, sanitary and free of noxious odors. Refuse containers shall be maintained so as to not be Visible from Neighboring Property, except to make the same available for collection and then only for the shortest time reasonably necessary to effect such collection.

Section 5.18 Antennas and Satellite Dishes.

A. This Section applies to antennas, satellite television dishes, and other devices (“Receivers”), including any poles or masts (“Masts”) for such Receivers, for the transmission or reception of television or radio signals or any other form of electromagnetic radiation.

B. As of the date of recordation of this instrument, Receivers one (1) meter or less in diameter are subject to the provisions of Title 47, Section 1.4000 of the Code of Federal Regulations (“Federal Regulations”). “Regulated Receivers” shall mean Receivers subject to Federal Regulations as such regulations may be amended or modified in the future or subject to any other applicable federal, state or local law, ordinance or regulation (“Other Laws”) that would render the restrictions in this section on Unregulated Receivers (hereinafter defined) invalid or unenforceable as to a particular Receiver. “Unregulated Receivers” shall mean all Receivers that are not Regulated Receivers. Notwithstanding the foregoing, a Regulated Receiver having a Mast in excess of the size permitted under Federal Regulations or Other Laws for Regulated Receivers shall be treated as an Unregulated Receiver under this section.

C. Unless approved in writing by the Architectural Committee, no Unregulated Receivers shall be permitted outdoors on any Lot, whether attached to a building or structure or on any Lot, unless approved in writing by the Architectural Committee, with such screening and fencing as such Committee may require. Unregulated Receivers must be ground mounted and not Visible from Neighboring Property.

D. Regulated Receivers shall be subject to the following requirements:

(i) If permitted by applicable Federal Regulations or Other Laws, no Regulated Receiver shall be permitted outdoors on any Lot, whether attached to a building or structure or on any Lot, unless approved in writing by the Architectural Committee, with such screening and fencing as such Committee may require. If such restriction is not so permitted, the provisions of subsections (ii) and (iii) below shall apply.

(ii) A Regulated Receiver and any required Mast shall be placed so as not to be Visible from Neighboring Property if such placement will not: (a) unreasonably delay or prevent installation, maintenance or use of the Regulated Receiver; (b) unreasonably increase the cost of installation, maintenance or use of the Regulated Receiver; or (c) preclude the reception of an acceptable quality signal.

(iii) Regulated Receivers and any required Masts shall be placed on Lots only in accordance with the following descending order of locations, with Owners required to use the first available location that does not violate the requirements of parts (a) through (c) in subsection (ii) above: (1) a location in the back yard of the Lot where the Receiver will be screened from view by landscaping or other improvements; (2) an unscreened location in the backyard of the Lot; (3) on the roof, but completely below the highest point on the roof line; (4) a location in the side yard of the Lot where the Receiver and any pole or mast will be screened from view by landscaping or other improvements; (5) on the roof above the roofline; (6) an unscreened location in the side yard; and (7) a location in the front yard of the Lot where the Receiver will be screened from view by landscaping or other improvements.

Notwithstanding the foregoing order of locations, if a location stated in the above list allows a Receiver to be placed so as not to be Visible from Neighboring Property, such location shall be used for the Receiver rather than any higher-listed location at which a Receiver will be Visible from Neighboring Property, provided that placement in such non-visible location will not violate the requirements of parts (a) through (c) in subsection (ii) above.

(iv) Owners shall install and maintain landscaping or other improvements ("Screening") around Receivers and Masts to screen items that would otherwise be Visible from Neighboring Property unless such requirement would violate the requirements of parts (a) through (c) in subsection (ii) above. If an Owner is not required to install and maintain Screening due to an unreasonable delay in installation of the Receiver that such Screening would cause, the Owner shall install such screening within thirty (30) days following installation of the Receiver and shall thereafter maintain such Screening, unless such Screening installation or maintenance will violate the provisions of parts (a) through (c) in subsection (ii) above. If an Owner is not required to install Screening due to an unreasonable increase in the cost of installing the Receiver caused by the cost of such Screening, the Association shall have the right, at the option of the Association, to enter onto the Lot and install such Screening and, in such event, the Owner shall maintain the Screening following installation, unless such Screening installation or maintenance will violate the provisions of parts (a) through (c) in subsection (ii) above.

The provisions of this Section are severable from each other; the invalidity or unenforceability of any provision or portion of this Section shall not invalidate or render unenforceable any other

provisions or portions of this Section, and all such other provisions or portions shall remain valid and enforceable. The invalidity or unenforceability of any provisions or portions of this Section to a particular type of Receiver or Mast or to a particular Receiver or Mast on a particular Lot shall not invalidate or render unenforceable such provisions or portion regarding other Receivers or Masts on other Lots.

Section 5.19 Utility Services. All lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be contained in conduits or cables installed and maintained underground or concealed in, under, or on buildings or other structures approved by the Architectural Committee. Temporary power or telephone structures incident to construction activities approved by the Architectural Committee are permitted.

Section 5.20 Diseases and Insects. No Owner or resident shall permit any thing or condition to exist upon a lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 5.21 Clothes Drying Facilities. No outside clotheslines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Lot so as to be Visible from Neighboring Property.

Section 5.22 Overhead Encroachments. No tree, shrub, or planting of any kind on any Lot shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way or other area from ground level to a height of eight (8) feet without the prior written approval of the Architectural Committee.

Section 5.23 Drainage. No Residential Unit, structure, building, landscaping, fence, wall or other Improvement shall be constructed, installed, 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 approved drainage plans on file with the municipality or other governing body in which the Project is located. In addition, no Owner or other person shall change the grade or elevation of a Lot in any manner that would obstruct, interfere with or change the direction or flow of water in accordance with the approved drainage plans.

Section 5.24 Basketball Goals and Backboards. No basketball backboard, hoop or similar structure or device shall be permitted except in accordance with the Design Guidelines.

Section 5.25 Playground Equipment. No jungle gyms, swing sets or similar playground equipment which would be Visible from Neighboring Property shall be erected or installed on any Lot without the prior written approval of the Architectural Committee.

Section 5.26 Lights. Except as initially installed by the Declarant, no lighting shall be placed or utilized upon any Lot or any structure erected thereon except as approved by the Architectural Committee.

Section 5.27 Flags. The official flag of: (i) the United States; (ii) the State of Arizona, (iii) the Armed Forces (such as U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, U.S. Coast Guard); (iv) POW/MIA flags; and (v) an Arizona Indian National Flag may be displayed on any Lot provided: (i) such flag is displayed in the manner required under the federal flag code from a pole attached to a Residential Unit on the Lot; (ii) the pole is no higher than the top of the Residential Unit; (iii) the pole is no longer than ten (10) feet in length and does not extend more than ten (10) feet from the edge of the Residential Unit; (iv) the flag is no more than twenty four (24) square feet in size; (v) any flag lighting does not violate Section 5.26 of this Declaration; and (vi) the flag is maintained in good condition. The flag of another nation may be displayed in lieu of the United States Flag on national holidays of such nation provided such display complies with the requirements for displaying the United States Flag.

Section 5.28 Yard Sales. Owners may hold "yard sales" to sell personal property of such Owners only in compliance with the following requirements, which may be amended from time to time by the Board: (i) yard sales shall be limited to two (2) days per year on any Lot; (ii) no yard sale shall commence prior to 6 AM MST or continue after 5 PM MST; (iii) no Owner shall post any signs advertising any yard sale anywhere on the Property except that a temporary sign may be posted on such Owner's Lot on the day that a yard sale is being held; and (iv) if the Association ever adopts standard yard sale dates for the Property, yard sales shall be held only on such dates. The Association shall give reasonable notice to all Owners if it adopts standard yard sale dates for yard sales on the Property.

Section 5.29 Holiday Displays. Owners may display holiday decorations which are Visible from Neighboring Property only if the decorations are of the kinds normally displayed in single family residential neighborhoods, are of reasonable size and scope, and do not disturb other Owners and residents by excessive light or sound emission or by causing an unreasonable amount of spectator traffic. Holiday decorations may be displayed no more than thirty (30) days before or more than twenty-one (21) days after any nationally recognized holiday.

Section 5.30 Solar Collection Panels or Devices. Declarant recognizes the benefits to be gained by permitting the use of solar energy as an alternative source of electrical power for residential use. At the same time, Declarant desires to promote and preserve the attractive appearance of the Property and the Improvements thereon, thereby protecting the value generally of the Property and the various portions thereof, and of the various Owners' respective investments therein. Therefore, subject to prior approval of the plans therefor by the Architectural Committee, solar collecting panels and devices may be placed, constructed or maintained upon any Lot within the Property (including upon the roof of any structure upon any Lot), so long as either: (a) such solar collecting panels and devices are placed, constructed and maintained so as not to be Visible from Neighboring Property; or (b) such solar collecting panels and devices are placed, constructed and maintained in such location(s) and with such means of screening or concealment as the Architectural Committee may reasonably deem appropriate to limit, to the extent possible, the visual impact of such solar collecting panels and devices when Visible from Neighboring Property. The restrictions in this Section 5.30 shall be subject to any limitations imposed by law.

Section 5.31 Declarant's and Designated Builders' Exemption. Nothing contained in this Declaration shall be construed to prevent the construction, installation or maintenance by a

Declarant (or its designated agents and contractors) or a Designated Builder (subject to approval by Declarant) during the period of development, construction, performance of warranty work, sales and marketing on the Property, or any production homes, model homes and sales offices and parking incidental thereto, construction trailers, landscaping or signs deemed necessary or convenient by a Declarant or a Designated Builder (subject to the approval of Declarant), in their sole discretion, to the development, construction, sale and marketing of property within the Property. Any actions taken by a Designated Builder pursuant to this Section shall require the prior approval of Declarant, which shall not be unreasonably withheld. The Association shall take no action that would interfere with access to or use of model homes; without limitation of the foregoing, the Association shall have no right to close private streets to access by members of the public desiring access to model homes.

ARTICLE VI ARCHITECTURAL CONTROL

Section 6.1 Architectural Committee. The Board shall establish an Architectural Committee consisting of not less than three (3) members to regulate the external design, appearance and use of the Property and to perform such other functions and duties as may be imposed upon it by this Declaration, the Bylaws or the Board. So long as the Declarant or any Designated Builder owns any Lot, the Declarant shall have the right to appoint and remove members of the Architectural Committee. At such time as neither the Declarant nor any Designated Builder owns any lot, the Board shall have the right to elect and remove members of the Architectural Committee.

Section 6.2 Design Guidelines. The Declarant shall initially establish and adopt Design Guidelines (including procedural rules and regulations) to direct the Architectural Committee in the performance of its duties. The Architectural Committee (with the approval of the Board of Directors) shall have the right from time-to-time to amend and supplement the Design Guidelines (including its procedural rules and regulations); provided, however, that such amendments and modifications are in general conformity with the standards set-forth in this Declaration. In the event of any conflicts between the Design Guidelines and this Declaration, the provisions of the Declaration shall control.

Section 6.3 Approval of Grading Improvements. No excavation or grading work shall be performed on any Lot by any person other than Declarant or a Designated Builder without the prior written approval of the Architectural Committee. Each Owner altering any grading or drainage on a Lot shall ensure that such alterations comply with all requirements of any grading or drainage plan approved by any governmental entity having jurisdiction over the Property and that such alterations do not alter or impede the flow of storm water from the manner existing prior to such alterations; approval of plans or proposed improvements by the Architectural Committee shall not constitute a waiver of this requirement or a warranty that such plans or improvements are consistent with this requirement or any other requirement of this Declaration, the Association Rules, the Design Guidelines, any governmental requirement or construction industry standard.

Section 6.4 Approval of Improvements; Alterations. No Improvements shall be constructed 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 shall be made or done without the prior written approval of the Architectural Committee.

Section 6.5 Application for Approval. 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 the Improvement, shall submit to the Architectural Committee a comprehensive, complete and detailed written request for approval specifying in detail the nature and extent of the construction, installation, addition, alteration, repair, change or other work which the Owner desires to perform ("Application"). Any Owner requesting the approval of the Architectural Committee shall also submit to the Architectural Committee any additional information, plans and specifications required by the Design Guidelines.

Section 6.6 No 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.

Section 6.7 Construction of Improvements. 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 construction, installation, addition, alteration, repair, change or other work approved by the Architectural Committee and shall diligently pursue such work so that it is commenced and completed as soon as reasonably practical and within such time as may be prescribed by the Architectural Committee.

Section 6.8 Governmental Approvals. The approval of the Architectural Committee required by this Section shall be in addition to, and not in lieu of, any approvals, consents or permits required under the ordinances or rules and regulations of any county or municipality having jurisdiction over the Project.

Section 6.9 Declarant's and Designated Builders' Exemption. The provisions of this Section shall not apply to, and approval of the Architectural Committee shall not be required for, the construction, erection, installation, addition, alteration, repair, change or replacement of any Improvements made by, or on behalf of, the Declarant or any Designated Builder.

Section 6.10 No Personal Liability. In no event shall the Association, the Architectural Committee or any member of the Architectural Committee have any liability for any action or inaction by the Architectural Committee or its members, including without limitation any approval or disapproval of plans by the Architectural Committee. The sole remedy for an Owner asserting that the Architectural Committee has improperly withheld approval or has improperly

granted approval shall be an action to compel the Architectural Committee to take appropriate action. In no event shall any damages of any nature be awarded against the Association, the Architectural Committee or any member of the Architectural Committee of any nature arising from any action or inaction described in this Article.

Section 6.11 No Warranty. Each Owner is strongly advised to consult with independent architects and engineers to ensure that all improvements or alterations made by such Owner are safe and in compliance with applicable governmental requirements. No approval by the Architectural Committee shall constitute a guaranty or warranty by the Association, the Architectural Committee or any member of the Architectural Committee that the matters approved will comply with this Declaration, any Association Rules or Design Guidelines, or any applicable governmental requirements or that any plans or improvements are safe or properly designed. The Owner constructing or altering any improvements shall indemnify, defend and hold the Association harmless from (i) any claims or damages of any nature arising from such improvements or alterations or any approval thereof by the Architectural Committee and (ii) any claim that the Association, the Architectural Committee or any member of the Architectural Committee breached any duty to other Owners in issuing approval of such Owner's improvements or alterations.

Section 6.12. Final Decisions; Appeal; Variances. The decisions of the Architectural Committee shall be final on all matters submitted to it pursuant to this Declaration, but shall be subject to appeal to the Board as the final arbiter, and the decision of the Board in all cases shall be final and binding. The Board may grant variances from the standards set-forth in the Design Guidelines if the Board determines the matter permitted under the requested variance will not have a substantially adverse affect on other Owners and Occupants and is consistent with the high quality of life intended for the Project.

ARTICLE VII PARTY WALLS

Section 7.1 General Rules of Law to Apply. Each wall or fence, any part of which is placed on a dividing line between separate lots shall constitute a "Party Wall". Each adjoining Owner's obligation with respect to Party Walls shall be determined by this Declaration and, if not inconsistent, by Arizona law.

Section 7.2 Sharing Repair and Maintenance. Each Owner shall maintain the exterior surface of a Party Wall facing his lot. Except as provided in this Article, the cost of reasonable repair shall be shared equally by adjoining lot Owners.

Section 7.3 Damage by One Owner. If a Party Wall is damaged or destroyed by the act of one adjoining Owner, or his Occupants, invitees, lessees, family members, employees or agents (whether or not such act is negligent or otherwise culpable), then that Owner shall immediately rebuild or repair the Party Wall to its prior condition without cost to the adjoining Owner and shall indemnify the adjoining Owner from any consequential damages, loss or liabilities. No Owner shall violate any of the following restrictions and any damage (whether cosmetic or structural) resulting from violation of any of the following restrictions shall be

considered caused by the Owner causing such action or allowing such action to occur on such Owner's Lot:

(i) No Owner shall allow sprinklers to spray or other water sources to deliver water within five (5) feet of any wall, excluding rainfall that falls directly on such area (i.e. an Owner shall not collect rainfall from other portions of the Lot and deliver it within five (5) feet of any wall);

(ii) No Owner shall allow any plant to attach itself to any wall (e.g. ivy);

(iii) No Owner shall allow any tree to grow within six (6) feet of any wall (with such distance measured from the above-ground part of the tree that is nearest to the wall within five (5) feet of the ground level of the tree, including any portion of the root system that is not completely covered by dirt);

(iv) No Owner shall allow attachment of anything to any wall; and

(v) No Owner shall allow water to be provided (by sprinkler, drip line, hose, hand delivery or otherwise) to any plant located within five (5) feet of any wall, excluding rainfall that falls directly on such plant (i.e. an Owner shall not collect rainfall from other portions of the Lot and deliver it to any plant within five (5) feet of any wall).

Section 7.4 Other Damage. If a Party Wall is damaged or destroyed by any cause other than the act of one (1) of the adjoining Owners, or his Occupants, invitees, lessees, family members, employees or agents (including ordinary wear and tear and deterioration from lapse of time), then the adjoining Owners shall rebuild or repair the Party Wall to its prior condition, equally sharing the expense; provided, however, that if a Party Wall is damaged or destroyed as a result of an accident or circumstances that originate or occur on a particular lot, (whether or not such accident or circumstance is caused by the action or inaction of the Owner of that lot, or his Occupants, invitees, lessees, family members, employees or agents) then in such event, the Owner of that particular lot shall be solely responsible for the cost of rebuilding or repairing the Party Wall and shall immediately repair the Party Wall to its prior condition.

Section 7.5 Right of Entry. Each Owner shall permit the Owners of adjoining lots, or their representatives, to enter his lot for the purpose of installations, alteration, or repairs to a Party Wall on the Property of such adjoining Owners, provided that other than for emergencies, requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner of the adjoining lot. An adjoining Owner making entry pursuant to this Section shall not be deemed guilty of trespassing by reason of such entry. Such entering Owner shall indemnify the adjoining Owner from any consequential damages sustained by reason of such entry.

Section 7.6 Right of Contribution. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7.7 Consent of Adjoining Owner. In addition to meeting the requirements of this Declaration and of any applicable building code and similar regulations or ordinances, any Owner proposing to modify, alter, make additions to or rebuild (other than rebuilding in a manner materially consistent with the previously existing wall) the Party Wall, shall first obtain the written consent of the adjoining Owner, which shall not be unreasonably withheld or conditioned.

Section 7.8 Walls Adjacent to Streets or Common Area. A wall that is adjacent to streets or Common Areas shall be treated as though the wall is a Party Wall with the street or common area constituting a Lot owned by the Association, except that any portion of such wall consisting of decorative metal-work that was originally on such wall (or any replacement thereof) shall be the sole responsibility of the Association (subject to an Owner's liability for repairs that would be such Owner's sole responsibility under Sections 7.3 or 7.4 above). Notwithstanding the foregoing: (a) the provisions in Sections 7.3 and 7.4 above regarding an Owner's sole liability for repair of damage caused by such Owner's Occupants, invitees, lessees, family members, employees or agents shall not apply to damage resulting from invitees, employees or agents of the Association and such damage shall be considered caused by unrelated third parties; and (b) the rule in Section 7.4 above regarding damage arising from events occurring on a particular Owner's Lot shall not apply to damage arising from events occurring on streets or Common Areas. Notwithstanding the foregoing, any damage to a wall that is covered by the Association's casualty insurance shall, to the extent of proceeds actually received from such insurance, be paid for by the Association.

Section 7.9 Walls Forming Part of Residence. If a Lot contains a wall that is (i) an exterior wall of a residence (including any garage associated with a residence) and (ii) located on or immediately adjacent to the Lot boundary line, the provisions of this Article shall apply subject to the following:

(A) The wall shall have a perpetual easement for encroachments onto any adjoining Lot or Common Area of up to one (1) foot; provided, however, that such easement shall only apply to initial construction of the wall and any replacements of the wall that do not encroach further than the original wall.

(B) Any roof improvements (including gutters and similar related improvements) above such wall shall have a perpetual easement for encroachments onto any adjoining Lot or Common Area of up to four (4) feet; provided, however, that such easement shall only apply to initial construction of the roof improvements and any replacements of the roof improvements that do not encroach further than the original roof improvements.

(C) The Owner of the Lot adjacent to such wall shall not, without the written approval of the Owner of the Lot on which the residence is located, do any of the following:

- (i) use the wall for recreational purposes (e.g. bouncing balls);
- (ii) use the wall as part of an enclosure for pets; or

(iii) otherwise take any action regarding the wall that a reasonable person would conclude has a substantial likelihood of disturbing the peaceful and undisturbed use of the interior of the residence of which the wall forms a part.

(D) Notwithstanding Section 7.7 above, the Owner of the residence shall not be required to obtain permission from the adjoining Lot Owner to rebuild the wall in the same manner as originally constructed.

ARTICLE VIII MAINTENANCE BY OWNER

Each Owner shall maintain his residence and lot in good repair. The yards and landscaping on all improved lots shall be neatly and attractively maintained, and shall be cultivated and planted to the extent required to maintain an appearance in harmony with other improved lots in the Property. If any sidewalk is partially or completely located on an Owner's lot and third parties have an easement to use such sidewalk, then the Association (and not the Owner) shall be responsible for the maintenance and repair of such sidewalk. During prolonged absence, an Owner shall arrange for the continued care and upkeep of his lot. Except for areas owned by the Association or that the Association has elected in writing to maintain, which election may be terminated by the Association at any time, each Owner shall also maintain in good condition and repair any landscaping and sidewalk improvements that are between the edge of such Owner's Lot and the street curb adjacent to such Owner's Lot, both for streets in front of the Lot and, for corner lots, on the side of the Lot. In the event a lot Owner fails to fulfill his maintenance and repair obligations under this Article or in the event an Owner fails to landscape his lot as required by Section 5.13 above, the Association may have said lot and residence landscaped, cleaned and repaired and may charge the lot Owner for said work in accordance with the provisions of said Section. An Owner shall not allow a condition to exist on his lot which will adversely affect any other lots and residences or other Owners. Any repainting or redecorating of the exterior surfaces of a residence which alters the original appearance of the residence will require the prior approval of the Architectural Committee.

ARTICLE IX EASEMENTS

Section 9.1 Owner's 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 shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(i) The right of the Association to charge reasonable admission and other fees for the use of any recreational or other facility situated upon the Common Area. The Association shall also have the right to restrict the use of such recreational vehicle storage area to only those Owners or Occupants who do not have such a recreational vehicle storage area

available to them through a neighborhood association. The Association may permit the use of any recreational vehicle storage area situated upon the Common Area by persons who are not Members of the Association provided the Association charges such persons a reasonable admission fee or user fee for the use of such recreational vehicle storage area.

(ii) The right of the Association to suspend the voting rights and right to the use of the recreational facilities, if any, located upon Common Area by any Member (a) for any period during which any Assessment against his Lot remains delinquent; (b) for a period not to exceed sixty (60) days for any other infraction of the Project Documents, and (c) for successive sixty (60)day periods if any such infraction is not corrected during any prior sixty (60)day suspension period.

(iii) The right of the Association to dedicate, transfer or encumber all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board; provided, however, that any such action taken at any time that Declarant owns any Lot shall be subject to the approval of Declarant. If ingress or egress to any Lot is through the Common Area, any dedication, transfer, or encumbrance of the Common Area shall be subject to the Owner's easement of ingress and egress.

(iv) The right of the Association to transfer and convey minor portions of the Common Area to non-public persons or entities in order to correct encroachment or boundary problems that may arise in connection with the initial development of the Property upon the adoption of a resolution by the Board that the Common Area is minor in size and that the transfer will not have a substantial adverse effect on the Owners.

(v) The right of the Association, upon adoption of a resolution by the Board stating that the then current use of a specified part of the Common Areas is no longer in the best interests of the Owners, and the approval of such resolution by not less than two-thirds (2/3rds) of the votes of all Members entitled to vote and voting in person or by proxy at a meeting duly called for such purpose, to change the use of the Common Areas (and in connection therewith to take whatever actions are required to accommodate the new use), provided such new use: (a) shall be for the benefit of the Owners; and (b) shall be consistent with any recorded deed and zoning regulations.

(vi) The right of the Association to regulate the use of the Common Area through the Association Rules and to prohibit or limit access to such portions of the Common Area, such as landscaped right-of-ways, not intended for use by the Owners or his Occupants, invitees, lessees, and family members.

(B) If a Lot is leased or rented by the Owner thereof, the lessee and the members of his family residing with such lessee pursuant to the lease 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.

(C) The guest and invitees of any Member or other person entitled to use the Common Area pursuant to this Declaration may use any recreational facility located on the Common Area provided they are accompanied by a Member or other person entitled to use the recreational facilities pursuant to this Declaration. The Board shall have the right to limit the number of guests and invitees who may use the recreational facilities located on the Common Area at any one time and may restrict the use of the recreational facilities by guests and invitees to certain specified times.

Section 9.2 Drainage Easements. There is hereby created a blanket easement for drainage of ground water on, over and across each lot in such locations as drainage channels or structures are located. An Owner shall not at any time hereafter fill, block or obstruct any drainage easements, channels or structures on his lot and each Owner shall repair and maintain all drainage channels and drainage structures located on his lot. No structure of any kind shall be constructed and no vegetation shall be planted or allowed to grow within the drainage easements which may impede the flow of water under, over or through the easements or which may materially increase the flow of water onto another lot. All drainage areas shall be maintained by the Owner of the lots on which the easement area is located.

Section 9.3 Utility Easements. Except as installed by the Declarant or approved by the Architectural Committee, no lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, cable and radio signals, shall be erected, placed or maintained anywhere in or upon any lot unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures. No structure, landscaping or other improvements shall be placed, erected or maintained upon any area designated on the Plat as a public utility easement which may damage or interfere with the installation and maintenance of utilities. Such public utility easement areas, and all improvements thereon, shall be maintained by the Owner of the lot on which the easement area is located unless the utility company or a county, municipality or other public authority maintains said easement area. There is hereby created a blanket easement upon, across, over and under the Property for ingress to, egress from and the installation, replacing, repairing and maintaining of all utility and service lines and systems including, but not limited to, water, sewer, gas, telephone, electricity, cable or communication lines and systems, such as utilities are installed in connection with the initial development of each Lot. Pursuant to this easement, a providing utility or service company may install and maintain facilities and equipment on the Lots and Common Areas and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of buildings thereon. Notwithstanding anything to the contrary contained in this section, no sewers, electrical lines, water lines, or other utility or sewer lines may be installed or relocated within the Property except as initially created or approved by Declarant without the prior written approval of, in the case of a Common Area, the Association and the Architectural Committee or, in the case of a Lot, the Owner of such Lot and the Board. Nothing contained herein shall entitle Declarant or any utility company in exercising the rights granted herein to disturb any Residential Unit constructed in accordance with the requirements hereof. Declarant further reserves temporary construction easements for utility lines, maintenance of storage tanks and facilities and access to and from such facilities.

Section 9.4 Encroachments. The lots shall be subject to an easement for overhangs and encroachments by walls, fences or other structures upon adjacent lots as constructed by the original builder or as reconstructed or repaired in accordance with the original plans and specifications or as a result of the reasonable repair, shifting, settlement or movement of any such structure.

Section 9.5 Declarant's Easement. Easements over the lots for the installation and maintenance of electric, telephone cable, communications, water, gas, drainage and sanitary sewer or similar or other lines, pipes or facilities: (i) as shown on the recorded Plat; or (ii) as may be hereafter required or needed to service any lot (provided, however, no utility other than a connection line to a Residential Unit served by the utility shall be installed in any area upon which a Residential Unit has been or may legally be constructed on the lot) are hereby reserved by the Declarant, together with the right to grant and transfer the same.

Section 9.6 Easements to Facilitate Development. Declarant hereby reserves to itself, its successors and assigns the right to: (a) use any Lots owned or leased by Declarant, any other Lot with written consent of the Owner thereof, or any portion of the Common Area as models, management offices, sales offices, a visitors' center, construction, construction offices, customer service offices or sales office parking areas; and (b) install and maintain on the Common Area, any Lot owned or leased by the Declarant, or any other Lot with the consent of the Owner thereof, such marketing, promotional or other signs which the Declarant deem necessary for the development, sale or lease of the Property.

Section 9.7 Dedications and Easements Required by Governmental Authority. Declarant hereby reserves to itself and its successors and assigns, the right to make any dedications and to grant any easements, rights-of-way and licenses required by any government or governmental agency over and through all or any portion of the Common Area.

Section 9.8 Duration of Development Rights; Assignment. The rights and easements reserved by or granted to the Declarant pursuant to this Article shall continue so long as any Declarant owns one or more Lots or holds an option to purchase one (1) or more Lots. Declarant may make limited temporary assignments of its easement rights under this Declaration to any person or entity performing construction, installation or maintenance on any portion of the Property.

Section 9.9 Easement for Maintenance and Enforcement. The Association and its directors, officers, agents, contractors and employees, the Architectural Committee and any other persons and entities authorized by the Board are hereby granted the right of access over and through any Lots (excluding the interior of any Residential Unit), for: (i) the exercise and discharge of their respective powers and responsibilities under the Project Documents; (ii) making inspections in order to verify that all Improvements on the Lot have been constructed in accordance with the plans and specifications for such Improvements approved by the Architectural Committee and that all Improvements are being properly maintained as required by the Project Documents; (iii) correcting any condition originating in a Lot or in the Common Area threatening another Lot or the Common Area; (iv) performing installations or maintenance of utilities, landscaping or other improvements located on the Lots for which the Association is

responsible for maintenance; or (v) correcting any condition which violates the Project Documents.

Section 9.10 Rights of Declarant and Designated Builders. Notwithstanding any other provision of this Declaration to the contrary, the Declarant and each Designated Builder has the right to maintain construction trailers, model homes and sales offices on Lots owned or leased by such party and to construct and maintain parking areas for the purpose of accommodating persons visiting such construction trailers, model homes and sales offices and employees and contractors of such party. Any home constructed as a model home shall cease to be used as a model home and any sales office shall cease to be used as a sales office at any time the Declarant or such Designated Builder is not actually engaged in the sale of Lots.

Section 9.11 Mailbox Easements. Mailbox structures shall be installed at such locations within the Property as Declarant and the U.S. Postal Service determine to be appropriate. If mailbox structures benefiting more than a single Residential Unit are constructed or installed on Lots, an easement shall be deemed to exist over such portion of the Lot(s) on which such structures are constructed or installed so as to facilitate the use of such mailbox structure by the U.S. Postal Service, the Owners of the Residential Units to be served by such structures, and the Association. The Owner of the Lot upon which a mailbox easement exists shall remain responsible for maintaining such Lot in accordance with the provisions of this Declaration, including Article VIII. All such common mailbox structures (but not the individual keys) shall be Common Areas.

ARTICLE X MAINTENANCE

Section 10.1 Maintenance by the Association. The Association shall be responsible for the maintenance, repair and replacement of the Common Area and may, without any approval of the Owners being required, do any of the following:

(A) Reconstruct, repair, replace or refinish any Improvement or portion thereof upon any such area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area);

(B) Construct, reconstruct, repair, replace or refinish any portion of the Common Area used as a road, street, walk, driveway and parking area;

(C) Replace injured and diseased trees or other vegetation in any such area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

(D) Place and maintain upon any such area such signs as the Board may deem appropriate for the proper identification, use and regulation thereof;

(E) Construct, maintain, repair and replace landscaped areas on any portion of the Common Area;

(F) Maintain any portion of the Common Area used for drainage and retention;

(G) Maintain all multiple residence mailboxes used for delivery of personal mail within the Property; provided, however, that each Owner shall be responsible for repair or replacement of locks and/or keys for each Owner's mailbox; and

(H) Do all such other and further acts which the Board deems necessary to preserve and protect the Common Area and the appearance thereof, in accordance with the general purposes specified in this Declaration.

Neither Declarant nor any Builder within the Property shall be responsible for maintenance, repair or replacement of Common Areas or improvements thereon previously transferred to the Association, except that: (i) the installer of any landscaping on the Common Areas shall provide a ninety (90) day warranty period for such landscaping; and (ii) any express or implied warranties provided by any provider of labor or materials in connection with improvements shall be deemed assigned to the Association concurrently with such transfer. This Section shall not be subject to amendment without the written approval of the Declarant.

If any subdivision plat, this Declaration or any other recorded instrument permits the Board to determine whether or not Owners of certain Lots will be responsible for maintenance of certain Common Area or public right-of-way areas, the Board will have the sole discretion to determine whether or not it would be in the best interest of the Owners and Occupants for the Association or an individual Owner to be responsible for such maintenance, considering cost, uniformity of appearance, location and other factors deemed relevant by the Board. The Board may cause the Association to contract to provide maintenance service to Owners of Lots having such responsibilities in exchange for the payment of such fees as the Association and Owner may agree upon.

Section 10.2 Damage or Destruction of Common Area by Owners. No Owner shall in any way damage or destroy any Common Area or interfere with the activities of the Association in connection therewith. Any expenses incurred by the Association by reason of any such act of an Owner shall be paid by said Owner, upon demand, to the Association to the extent that the Owner is liable therefore under Arizona law, and such amounts shall be a lien on any Lots owned by said Owner and the Association may enforce collection of any such amounts in the same manner as provided elsewhere in this Declaration for the collection and enforcement of Assessments.

Section 10.3 Payment of Utility Charges. Each Lot shall be separately metered for water, sewer and electrical service and all charges for such services shall be the sole obligation and responsibility of the Owner of each Lot. The cost of water, sewer and electrical service to the Common Area shall be a Common Expense of the Association and shall be included in the budget of the Association.

Section 10.4 Maintenance by Governmental Entities. No municipality or other governmental entity is responsible for or will accept maintenance for any private facilities, landscaped areas, or Common Areas within the Project.

Section 10.5 Landscaping Replacement. Landscaping originally planted on the Common Areas may exceed the landscaping that is ultimately planned for Common Areas due to over-planting in anticipation of normal plant losses. The Board is hereby granted the authority to remove and not replace dead or damaged landscaping if, in the reasonable discretion of the Board: (a) the remaining landscaping is acceptable to the Board; and (b) the remaining landscaping is generally consistent in quality and quantity with the landscaping shown on approved landscaping plans filed with governmental entities in connection with Property, even if the location of specific plants is different than the locations shown on such approved landscaping plans. Declarant reserves the right to substitute plants and trees planted on the Property or shown on approved landscaping plans with equivalent or better landscaping materials. Neither Declarant nor any other installer of landscaping in Common Areas shall be responsible for replacement of landscaping that dies more than ninety (90) days following installation or that requires replacement due to vandalism, lack of proper watering or maintenance by the Association, or damage due to negligence; the Association shall be solely responsible for such replacement (subject to potential recovery by the Association from any vandal or negligent person).

Section 10.6 Alteration of Maintenance Procedures. Following the termination of the Class B membership and so long as Declarant owns any lot, the Association shall not, without the written approval of Declarant, alter or fail to follow the maintenance and repair procedures recommended by the Association's management company as of the termination of the Class B membership unless such alteration will provide for a higher level of maintenance and repair. Declarant shall have the right, but not the obligation, to perform any required maintenance or repair not performed by the Association within ten (10) business days following notice from Declarant that such maintenance or repair is required under this Section; if Declarant performs such maintenance or repair, the costs incurred by Declarant shall be reimbursed by the Association within thirty (30) days following written demand for reimbursement accompanied by copies of invoices for such costs. This section shall not be subject to amendment without the written approval of the Declarant.

ARTICLE XI INSURANCE

Section 11.1 Scope of Coverage. Commencing not later than the time of the first conveyance of a Lot to a Purchaser, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

(A) Property insurance on the Common Area insuring against all risk of direct physical loss, insured against in an amount equal to the maximum insurable replacement value of the Common Area, as determined by the Board; provided, however, that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%)

of the current replacement cost of the insured Property, exclusive of land, excavations, foundations and other items normally excluded from a Property policy;

(B) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000.00. 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 Common Area, 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 and provide coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party;

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

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

(E) 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 be primary and 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) The Association shall be named as the Insured;

(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;

(F) If the Property is located in an area identified by the Secretary of Housing & Urban Development as an area having special flood hazards, a policy of flood insurance on the Common Area must be maintained in the lesser of one hundred percent (100%) of the current

replacement cost of the buildings and any other property covered by the required form of policy or the maximum limit of coverage available under the National Insurance Act of 1968, as amended;

(G) "Agreed Amount" and "Inflation Guard" endorsements.

Section 11.2 Certificates of Insurance. An insurer that has issued an insurance policy under this Article shall issue certificates 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 cancelled 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.

Section 11.3 Fidelity Bonds.

(A) The Association shall maintain blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association, including, but without limitation, officers, directors and employees of any management agent of the Association, whether or not they receive compensation for their services. The total amount of fidelity bond maintained by the Association shall be based upon the best business judgment of the Board, and shall not be less than the greater of: (i) the amount equal to one hundred percent (100%) of the estimated annual operating expenses of the Association; (ii) the estimated maximum amount of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond; or (iii) the sum equal to three (3) months assessments on all Lots plus adequate reserve funds. Fidelity bonds obtained by the Association must also meet the following requirements:

(i) The fidelity bonds shall name the Association as an obligee;

(ii) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions;

(iii) The bonds shall provide that they may not be canceled or substantially modified (including cancellation from non-payment of premium) without at least ten (10) days prior written notice to the Association.

(B) The Association shall require any management agent of the Association to maintain its own fidelity bond in an amount equal to or greater than the amount of the fidelity bond to be maintained by the Association pursuant to Subsection (A) of this Section. The fidelity bond maintained by the management agent shall cover funds maintained in bank accounts of the management agent and need not name the Association as an obligee.

Section 11.4 Payment of Premiums. The premiums for any insurance obtained by the Association pursuant to this Article shall be included in the budget of the Association and shall be paid by the Association.

Section 11.5 Insurance Obtained by Owners. Each Owner shall be responsible for obtaining property insurance for his own benefit and at his own expense covering his Lot, and all Improvements and personal property located thereon. Each Owner shall also be responsible for obtaining at his expense personal liability coverage for death, bodily injury or property damage arising out of the use, ownership or maintenance of his Lot.

Section 11.6 Payment of Insurance Proceeds. With respect to any loss to the Common Area 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 Section 11.7 below in this Declaration, the proceeds shall be disbursed for the repair or restoration of the damage to Common Area.

Section 11.7 Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Area damaged or destroyed shall be repaired or replaced promptly by the Association unless: (i) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (ii) Owners owning at least eighty percent (80%) of the Lots vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association. If the entire Common Area is not repaired or replaced, insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition which is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall be added to the Association's reserve fund.

ARTICLE XII TERM AND ENFORCEMENT

Section 12.1 Enforcement. Subject to the provisions of Section 12.4 and of Article XIII, the Association, the Architectural Committee or any Owner shall have the right (but not the obligation) to enforce the Covenants and Restrictions in this Declaration and any amendment thereto. Failure by the Association, the Architectural Committee or any Owner to enforce the Covenants and Restrictions shall in no event be deemed a waiver of the right to do so thereafter. Deeds of conveyance of the Property may contain the Covenants and Restrictions by reference to this Declaration, but whether or not such reference is made in such deeds, each and all such Covenants and Restrictions shall be valid and binding upon the respective grantees. Violators of any one or more of the Covenants and Restrictions may be restrained by any court of competent jurisdiction and damages awarded against such violators; provided, however, that a violation of these Covenants and Restrictions or any one or more of them shall not affect the lien of any First Mortgage. If the Architectural Committee enforces any provision of the Project Documents, the cost of the enforcement shall be paid by the Association. In addition to any enforcement rights otherwise available to the Association, the Association shall have the right to enforce any provision of this Declaration by directly taking action necessary to cure or remove a breach of this Declaration, including without limitation, removal, repair or replacement of any

improvement, sign or landscaping on any portion of the Property; in such event, the Association shall be entitled to recover the costs incurred by the Association in connection with such cure. Pursuant to such cure/removal right of the Association, the Association or its authorized agents may, upon reasonable written notice (or immediately, for willful and recurrent violations, when written notice has previously been given), enter any Lot in which a violation of these restrictions exists and may correct such violation at the expense of the Owner of such Lot; the Association and its agents are hereby granted an easement for such purpose. Such expenses, and such fines as may be imposed pursuant to this Declaration, the Bylaws, or the Association Rules, shall be a Special Assessment secured by a lien upon such Lot enforceable in accordance with the provisions of this Declaration. All remedies available at law or equity shall be available in the event of any breach of any provision of this Section by any Owner, or his Occupants, invitees, lessees, family members, employees or agents or any other person.

Section 12.2 Term. The Covenants and Restrictions in this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years for so long as the lots shall continue to be used for residential purposes.

Section 12.3 Amendment. This Declaration may be amended at any time by: (i) an instrument signed by the Owner(s) of at least a majority of the Lots; or (ii) a certification by the President of the Association that the Owners of at least a majority of the Lots have voted in favor of the amendment at a duly called election; provided, however, any amendment made at a time when Declarant owns any Lots shall require the approval of the Declarant. Any such amendment shall be recorded with the Maricopa County Recorder and shall take effect immediately upon recordation regardless of the status of the then current term of this Declaration under Section 12.2 above. A properly executed and recorded amendment may alter the restrictions in whole or in part applicable to all or any portion of the Property and need not be uniform in application to the Property.

Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration, or by any federally or state chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or any portions thereof. Any such amendment shall be effected by the recording by Declarant of a Certificate of Amendment duly signed by or on behalf of the Declarant, specifying the federal, state or local governmental agency or the federally or state chartered lending institution requesting the amendment and setting forth the amendatory language requested or required by such agency or institution.

Notwithstanding anything in this Declaration to the contrary, Declarant shall, for so long as it possesses the Class B Membership, be entitled to unilaterally, without the consent or approval of any other Member or party, amend the Declaration to correct minor errors or omissions.

Section 12.4 Approval of Litigation. Except for any legal proceedings initiated by the Association to: (i) enforce the use restrictions contained in this Declaration; (ii) enforce the Association Rules; (iii) enforce the Design Guidelines; (iv) collect any unpaid Assessments levied pursuant to this Declaration; or (v) enforce a contract entered into by the Association with vendors providing services to the Association, the Association shall not incur litigation expenses, including without limitation, attorneys' fees and costs, where the Association initiates legal proceedings or is joined as a plaintiff in legal proceedings, without the prior approval of a majority of the Members of the Association entitled to cast a vote who are voting in person or by proxy at a meeting duly called for such purpose, excluding the vote of any Owner who would be a defendant in such proceedings. The costs of any legal proceedings initiated by the Association which are not included in the above exceptions shall be financed by the Association only with monies that are collected for that purpose by special assessment and the Association shall not borrow money, use reserve funds, or use monies collected for other Association obligations. Each Owner shall notify prospective Purchasers of such legal proceedings initiated by the Board and not included in the above exceptions and must provide such prospective Purchasers with a copy of the notice received from the Association in accordance with Section 13.3 of this Declaration. Nothing in this Section shall preclude the Board from incurring expenses for legal advice in the normal course of operating the Association to: (i) enforce the Project Documents; (ii) comply with the statutes or regulations related to the operation of the Association; (iii) amend the Project Documents as provided in this Declaration; (iv) grant easements or convey Common Area as provided in this Declaration; or (v) perform the obligations of the Association as provided in this Declaration. Subject to the exceptions in the first sentence of this Section, with respect to matters involving property or improvements to property, the Association (or the Board) additionally shall not initiate legal proceedings or join as a plaintiff in legal proceedings unless (1) such property or improvement is owned either by the Association or jointly by all Members of the Association, (2) the Association has the maintenance responsibility for such property or improvements pursuant to this Declaration, or (3) the Owner who owns such property or improvements consents in writing to the Association initiating or joining such legal proceeding.

Section 12.5 Annexation of Additional Property. Until the later of (a) ten (10) years following recordation of this Declaration or (b) termination of the Class B Membership and thereafter with the approval of the Board, Declarant shall have the right to annex any real property that is adjacent to any real property that is then subject to this Declaration, including without limitation the real property commonly known as Las Brisas Phase 2 and legally described on **Exhibit B** attached hereto. Property shall be deemed adjacent if contiguous at any point or if separated only by a street, alley, right-of-way or easement. Annexation shall be effective upon recordation by Declarant of a signed and acknowledged declaration of annexation with the County Recorder of Maricopa County, Arizona stating that such adjacent real property has been annexed to this Declaration; no consent or approval of such annexation by the Board or Members of the Association shall be necessary for an annexation by Declarant. Upon annexation, the annexed real property shall be deemed to be part of the "Property" and shall have the same rights, privileges and obligations as the Property originally subject to the terms of this Declaration, including membership in the Association, except that such rights, privileges and obligations shall not include matters arising or accruing prior to annexation.

Notwithstanding anything stated to the contrary in Section 4.6, upon annexation, the Owners of lots within the annexed property shall have no obligation to pay Assessments until the first lot within the annexed property is conveyed to a Purchaser, or such earlier date as may be set forth in the declaration of annexation. In addition, if the declaration of annexation divides such annexed property into phases, then the lots within each phase will be subject to assessment when the first lot in the phase is conveyed to a Purchaser or the first common area within the annexed property is transferred to and accepted for maintenance by the Association, whichever is earlier. Annual assessments shall be prorated for annexed property through the date that the annexed property becomes obligated to pay Assessments. Any area within the annexed property designated by a Plat as "common area" shall be conveyed to the Association, and the Association shall accept such conveyance, upon the completion of the Improvements to such common area in accordance with the approved plans. Such common area shall be conveyed to the Association, free of all monetary encumbrances (including mechanics' and materialmens' liens), except current real and personal property taxes and other easements, conditions, reservations and restrictions then of record, including without limitation, this Declaration.

Section 12.6 De-Annexation of Property. Declarant shall have the right from time to time, in its sole discretion and without the consent of any person (other than consent of the owner of the property being de-annexed), to delete from the Property and remove from the effect of this Declaration one or more portions of the Property; provided, however, that a portion of the Property may not be deleted from this Declaration unless at the time of such deletion and removal no Residential Units or material Common Area Improvements have been constructed thereon (unless the de-annexation is for the purpose of accomplishing minor adjustments to the boundaries of Lots or the Property). No deletion of Property shall occur if such deletion would act to terminate access to any right-of-way or utility line unless reasonable alternative provisions are made for such access. No deletion of Property shall affect the Assessment Lien on the deleted Property for Assessments accruing prior to deletion. Any deletion of Property hereunder shall be made by Declarant recording a notice thereof.

ARTICLE XIII CLAIM AND DISPUTE RESOLUTION/LEGAL ACTIONS

It is intended that the Common Area, each Lot, and all Improvements constructed on the Property by persons ("Developers") in the business of constructing improvements will be constructed in compliance with all applicable building codes and ordinances and that all Improvements will be of a quality that is consistent with the good construction and development practices in the area where the Project is located for production housing similar to that constructed within the Project. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and the responsibility therefor. It is intended that all disputes and claims regarding alleged defects ("Alleged Defects") in any Improvements on any Lot or Common Area will be resolved amicably, without the necessity of time-consuming and costly litigation. Accordingly, all Developers (including Declarant), the Association, the Board, and all Owners shall be bound by the following claim resolution procedures.

Section 13.1 Right to Cure Alleged Defect. If a person or entity (“Claimant”) claims, contends, or alleges an Alleged Defect, each Developer shall have the right to inspect, repair and/or replace such Alleged Defect as set-forth herein.

(A) Notice of Alleged Defect. If a Claimant discovers an Alleged Defect, within fifteen (15) days after discovery thereof, Claimant shall give written notice of the Alleged Defect (“Notice of Alleged Defect”) to the Developer constructing the Improvement with respect to which the Alleged Defect relates.

(B) Right to Enter, Inspect, Repair and/or Replace. Within a reasonable time after the receipt by a Developer of a Notice of Alleged Defect, or the independent discovery of any Alleged Defect by a Developer, Developer shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into the Common Area, areas of Association responsibility, any Lot or Residential Unit, and/or any Improvements for the purposes of inspecting and/or conducting testing and, if deemed necessary by Developer at its sole discretion, repairing and/or replacing such Alleged Defect. In conducting such inspection, testing, repairs and/or replacement, Developer shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

Section 13.2 No Additional Obligations; Irrevocability and Waiver of Right. Nothing set-forth in this Article shall be construed to impose any obligation on a Developer to inspect, test, repair, or replace any item or Alleged Defect for which such Developer is not otherwise obligated under applicable law or any warranty provided by such Developer in connection with the sale of the Lots and Residential Units and/or the Improvements constructed thereon. The right reserved to Developer to enter, inspect, test, repair and/or replace an Alleged Defect shall be irrevocable and may not be waived or otherwise terminated with regard to a Developer except by a written document executed by such Developer and recorded in the official records of Maricopa County, Arizona.

Section 13.3 Legal Actions. All legal actions initiated by a Claimant shall be brought in accordance with and subject to Section 12.4 and Section 13.4 of this Declaration. If a Claimant initiates any legal action, cause of action, regulatory action, proceeding, reference, mediation, or arbitration against a Developer alleging: (1) damages for costs of repairing Alleged Defect (“Alleged Defect Costs”); (2) for the diminution in value of any real or personal property resulting from such Alleged Defect; or (3) for any consequential damages resulting from such Alleged Defect, any judgment or award in connection therewith shall first be used to correct and or repair such Alleged Defect or to reimburse the Claimant for any costs actually incurred by such Claimant in correcting and/or repairing the Alleged Defect. If the Association as a Claimant recovers any funds from a Developer (or any other person or entity) to repair an Alleged Defect, any excess funds remaining after repair of such Alleged Defect shall be paid in to the Association's reserve fund. If the Association is a Claimant, the Association must provide a written notice to all Members prior to initiation of any legal action, regulatory action, cause of action, proceeding, reference, mediation or arbitration against a Developer(s) which notice shall include at a minimum: (1) a description of the Alleged Defect; (2) a description of the attempts of the Developer(s) to correct such Alleged Defect and the opportunities provided to the Developer(s) to correct such Alleged Defect; (3) a certification from an architect or engineer licensed in the State of Arizona that such Alleged Defect exists along with a description of the

scope of work necessary to cure such Alleged Defect and a resume of such architect or engineer; (4) the estimated Alleged Defect Costs; (5) the name and professional background of the attorney retained by the Association to pursue the claim against the Developer(s) and a description of the relationship between such attorney and member(s) of the Board or the Association's management company (if any); (6) a description of the fee arrangement between such attorney and the Association; (7) the estimated attorneys' fees and expert fees and costs necessary to pursue the claim against the Developer(s) and the source of the funds which will be used to pay such fees and expenses; (8) the estimated time necessary to conclude the action against the Developer(s); and (9) an affirmative statement from a majority of the members of the Board that the action is in the best interests of the Association and its Members.

Section 13.4 Alternative Dispute Resolution. Any dispute or claim between or among: (a) a Developer (or its brokers, agents, consultants, contractors, subcontractors, or employees) on the one hand, and any Owner(s) or the Association on the other hand; (b) any Owner and another Owner; or (c) the Association and any Owner regarding any controversy or claim between the parties, including any claim based on contract, tort, or statute, arising out of or relating to: (i) the rights or duties of the parties under this Declaration; (ii) the design or construction of any portion of the Project; or (iii) or an Alleged Defect, but excluding disputes relating to the payment of any type of Assessment (collectively a "Dispute"), shall be subject first to negotiation, then mediation, and then arbitration as set-forth in this Section 13.4 prior to any party to the Dispute instituting litigation with regard to the Dispute.

(A) Negotiation. Each party to a Dispute shall make every reasonable effort to meet in person and confer for the purpose of resolving a Dispute by good faith negotiation. Upon receipt of a written request from any party to the Dispute, the Board may appoint a representative to assist the parties in resolving the dispute by negotiation, if in its discretion the Board believes its efforts will be beneficial to the parties and to the welfare of the community. Each party to the Dispute shall bear their own attorneys' fees and costs in connection with such negotiation.

(B) Mediation. If the parties cannot resolve their Dispute pursuant to the procedures described in Subsection (A) above within such time period as may be agreed upon by such parties (the "Termination of Negotiations"), the party instituting the Dispute (the "Disputing Party") shall have thirty (30) days after the termination of negotiations within which to submit the Dispute to mediation pursuant to the mediation procedures adopted by the American Arbitration Association or any successor thereto or to any other independent entity providing similar services upon which the parties to the Dispute may mutually agree. No person shall serve as a mediator in any Dispute in which such person has a financial or personal interest in the result of the mediation, except by the written consent of all parties to the Dispute. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process. If the Disputing Party does not submit the Dispute to mediation within thirty (30) days after Termination of Negotiations, the Disputing Party shall be deemed to have waived any claims related to the Dispute and all other parties to the Dispute shall be released and discharged from any and all liability to the Disputing Party on account of such Dispute; provided, nothing herein shall release or discharge such party or parties from any liability to any person or entity not a party to the foregoing proceedings.

(i) Position Memoranda; Pre-Mediation Conference. Within ten (10) days of the selection of the mediator, each party to the Dispute shall submit a brief memorandum setting forth its position with regard to the issues to be resolved. The mediator shall have the right to schedule a pre-mediation conference and all parties to the Dispute shall attend unless otherwise agreed. The mediation shall commence within ten (10) days following submittal of the memoranda to the mediator and shall conclude within fifteen (15) days from the commencement of the mediation unless the parties to the Dispute mutually agree to extend the mediation period. The mediation shall be held in Maricopa County or such other place as is mutually acceptable by the parties to the Dispute.

(ii) Conduct of Mediation. The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the Dispute. The mediator is authorized to conduct joint and separate meetings with the parties to the Dispute and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided the parties to the Dispute agree to obtain and assume the expenses of obtaining such advice as provided in Subsection (v) below. The mediator does not have the authority to impose a settlement on any party to the Dispute.

(iii) Exclusion Agreement. Any admissions, offers of compromise or settlement negotiations or communications at the mediation shall be excluded in any subsequent dispute resolution forum.

(iv) Parties Permitted at Sessions. Persons other than the parties to the Dispute may attend mediation sessions only with the permission of all parties to the Dispute and the consent of the mediator. Confidential information disclosed to a mediator by the parties to the Dispute or by witnesses in the course of the mediation shall be kept confidential. There shall be no stenographic record of the mediation process.

(v) Expenses of Mediation. The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including, but not limited to, the fees and costs charged by the mediator and the expenses of any witnesses or the cost of any proof of expert advice produced at the direct request of the mediator, shall be borne equally by the parties to the Dispute unless agreed to otherwise. Each party to the Dispute shall bear their own attorneys' fees and costs in connection with such mediation.

(C) Final and Binding Arbitration. If the parties cannot resolve their Dispute pursuant to the procedures described in Subsection (B) above, the Disputing Party shall have thirty (30) days following termination of mediation proceedings (as determined by the mediator) to submit the Dispute to final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as modified or as otherwise provided in this Section 13.4. If the Disputing Party does not submit the Dispute to arbitration within thirty (30) days after termination of mediation proceedings, the Disputing Party shall be deemed to have waived any claims related to the Dispute and all other parties to the Dispute shall be released and discharged from any and all liability to the Disputing Party on account of such Dispute; provided, nothing herein shall release or discharge such party or parties from any liability to a person or entity not a party to the foregoing proceedings.

The existing parties to the Dispute shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the arbitration proceeding. No Developer shall be required to participate in the arbitration proceeding if all parties against whom a Developer would have necessary or permissive cross-claims or counterclaims are not or cannot be joined in the arbitration proceedings. Subject to the limitations imposed in this Section 13.4, the arbitrator shall have the authority to try all issues, whether of fact or law.

(i) Place. The arbitration proceedings shall be heard in Maricopa County.

(ii) Arbitration. A single arbitrator shall be selected in accordance with the rules of the American Arbitration Association from panels maintained by the American Arbitration Association with experience in relevant matters which are the subject of the Dispute. The arbitrator shall not have any relationship to the parties or interest in the Project. The parties to the Dispute shall meet to select the arbitrator within ten (10) days after service of the initial complaint on all defendants named therein.

(iii) Commencement and Timing of Proceeding. The arbitrator shall promptly commence the arbitration proceeding at the earliest convenient date in light of all of the facts and circumstances and shall conduct the proceeding without undue delay.

(iv) Pre-hearing Conferences. The arbitrator may require one or more pre-hearing conferences.

(v) Discovery. The parties to the Dispute shall be entitled to limited discovery only, consisting of the exchange between the parties of the following matters: (i) witness lists; (ii) expert witness designations; (iii) expert witness reports; (iv) exhibits; (v) reports of testing or inspections of the property subject to the Dispute, including but not limited to, destructive or invasive testing; and (vi) trial briefs. The Developer shall also be entitled to conduct further tests and inspections as provided in Section 13.1 above. Any other discovery shall be permitted by the arbitrator upon a showing of good cause or based on the mutual agreement of the parties to the Dispute. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

(vi) Limitation on Remedies/Prohibition on the Award of Punitive Damages. Notwithstanding contrary provisions of the Commercial Arbitration Rules, the arbitrator in any proceeding shall not have the power to award punitive or consequential damages; however, the arbitrator shall have the power to grant all other legal and equitable remedies and award compensatory damages. The arbitrator's award may be enforced as provided for in the Uniform Arbitration Act, A.R.S. § 12-1501, et seq., or such similar law governing enforcement of awards in a trial court as is applicable in the jurisdiction in which the arbitration is held.

(vii) Motions. The arbitrator shall have the power to hear and dispose of motions, including motions to dismiss, motions for judgment on the pleadings, and summary judgment motions, in the same manner as a trial court judge, except the arbitrator shall also have

the power to adjudicate summary issues of fact or law including the availability of remedies, whether or not the issue adjudicated could dispose of an entire cause of action or defense.

(viii) Expenses of Arbitration. Each party to the Dispute shall bear all of its own costs incurred prior to and during the arbitration proceedings, including the fees and costs of its attorneys or other representatives, discovery costs, and expenses of witnesses produced by such party. Each party to the Dispute shall share equally all charges rendered by the arbitrator unless otherwise agreed to by the parties.

Section 13.5 Statutes of Limitations. Nothing in this Article shall be considered to toll, stay, or extend any applicable statute of limitations.

Section 13.6 Enforcement of Resolution. If the parties to a Dispute resolve such Dispute through negotiation or mediation in accordance with Subsection 13.4.(A) or Subsection 13.4.(B) above, and any party thereafter fails to abide by the terms of such negotiation or mediation, or if an arbitration award is made in accordance with Subsection 13.4.(C) above and any party to the Dispute thereafter fails to comply with such resolution or award, then the other party to the Dispute may file suit or initiate administrative proceedings to enforce the terms of such negotiation, mediation, or award without the need to again comply with the procedures set forth in this Article. In such event, the party taking action to enforce the terms of the negotiation, mediation, or the award shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties pro rata), all costs incurred to enforce the terms of the negotiation, mediation or award including, without limitation, attorneys fees and court costs.

ARTICLE XIV SPECIAL BUILDER PROVISIONS

14.1 Construction and Installation of a Common Wall.

(A) Right to Construct. Each Builder hereby agrees and acknowledges that certain portions of each Builder's Lots may share a common wall with the Lots of another Builder (a "Common Wall"). Any Builder (the "Constructing Builder") that first commences construction on a portion of the Builder's Lots requiring the construction and installation of a Common Wall (commencement of construction being the commencement of grading) shall be responsible for causing the construction and installation of the Common Wall. The Constructing Builder shall cooperate and coordinate with any adjacent property owner(s) (the "Non-Constructing Builder") in order to avoid any interference with any of the Non-Constructing Builder's construction and installation of improvements upon its Lots. The Constructing Builder shall complete the construction and installation of any Common Wall in a timely manner. If the Constructing Builder fails to timely construct and install the Common Wall in accordance with the terms of this Subsection (A), including, but not limited to, receipt of the lien waivers required by Subsection (C) below, then the Non-Constructing Builder shall have the right to complete such construction and pay any outstanding costs to release any liens. The Non-Constructing Builder hereby grants to the Constructing Builder a temporary nonexclusive easement over, across, in, under and through those portions of the Non-Constructing Builder's Lots that are not planned or utilized for the construction of buildings, structures, or other improvements for the

purpose of constructing the Common Wall. The easement may not be exercised or used in any fashion that would unreasonably interfere with or impact the Non-Constructing Builder's development of its Lots. The easement with respect to any Lot shall automatically expire upon the sale of such Lot, together with a Residential Unit thereon, to a Purchaser.

(B) Payments. The cost of any Common Wall shall be divided equally between the Builder(s) sharing the Common Wall. Subject to receipt of the lien releases described in Subsection (C) below, within ten (10) days after the Constructing Builder submits an invoice to the Non-Constructing Builder in connection with the cost of the construction and installation of a Common Wall (the "Wall Payment Due Date"), the Non-Constructing Builder shall pay to the Constructing Builder, in cash, by cashier's check or by wire transfer of immediately available funds, the Non-Constructing Builder's share of the cost.

(C) Lien Waivers. The Constructing Builder shall not permit any contractors, subcontractors or material suppliers to file any liens or claims including, but not limited to, stop notices, bonded stop notices, mechanics', materialmen's, professional service, contractors' or subcontractors' liens or claim for damage arising from the services performed by the Constructing Builder and its agents, employees, contractors and subcontractors, against any other Builder's Lots. It shall be a condition precedent to the Constructing Builder receiving payment that all mechanics and materialmen deliver statutory unconditional lien releases for the work constructed to date.

(D) Non-Payment. If a Non-Constructing Builder fails to pay the amounts incurred by the Constructing Builder for the construction and installation of the Common Wall on the Non-Constructing Builder's Lots on or before the Wall Payment Due Date, the amounts unpaid shall bear interest at the rate of eighteen percent (18%) per annum until paid in full, and shall be secured by a lien against the Lots of the Non-Constructing Builder, which lien may be foreclosed in the manner provided for in Arizona law for the foreclosure of realty mortgages.

ARTICLE XV GENERAL PROVISIONS

Section 15.1 Construction. The Article and Section headings have been inserted for convenience only and shall not be considered in resolving questions of interpretation or construction. All terms and words used in this Declaration regardless of the number and gender in which they are used shall be deemed and construed to include any other number, and any other gender, as the context or sense requires. In the event of any conflict or inconsistency between this Declaration, the Articles, and/or the Bylaws, the provisions of this Declaration shall control over the provision of the Articles and the Bylaws and the provisions of the Articles shall prevail over the provisions of the Bylaws. In the event of any conflict or inconsistency between this Declaration and the Association Rules, the provisions of this Declaration shall prevail over the provisions of the Association Rules. Except for judicial construction, the Association has 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 will be final, conclusive and binding as to all Persons and property benefited or bound by this Declaration.

Section 15.2 Number of Days. In computing the number of days for purposes of any provision of this Declaration or the Articles or Bylaws, all days will be counted including Saturdays, Sundays and holidays, but if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day will be deemed to be the next day which is not a Saturday, Sunday or legal holiday.

Section 15.3 Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail, postage prepaid; if to an Owner, addressed to that Owner at the address of the Owner's lot or if to the Architectural Committee, addressed to that Committee at the normal business address. If notice is sent by mail, it shall be deemed to have been delivered one (1) business day after a copy of the same has been deposited in the United States mail, postage pre-paid. If personally delivered, notice shall be effective on receipt. Notwithstanding the foregoing, if application for approval, plans, specifications and any other communication or documents shall not be deemed to have been submitted to the Architectural Committee, unless actually received by said Committee. Any vote, election, consent or approval of any nature by the Owners or the Board of Directors, whether hereunder or for any other purpose, may, in the discretion of the Board of Directors and in lieu of a meeting of members, be held by a mail-in ballot process pursuant to such reasonable rules as the Board may specify.

Section 15.4 Tract Declaration. Any Owner of more than one (1) Lot shall have the right to impose on any portion of the Property owned by such Owner a Tract Declaration ("Tract Declaration") in such form as may be approved in writing by Declarant. A Tract Declaration may modify the provisions of Section 12.4 or Article XIII above and, to the extent that any Tract Declaration is inconsistent with such provisions of this Declaration, the provisions of such Tract Declaration shall take priority over and control over such provisions of this Declaration. A Tract Declaration may also impose other covenants, conditions, restrictions, easements or other matters to the extent not inconsistent with the provisions of this Declaration.

Section 15.5 Supplemental Declarations. Supplemental declaration(s) may, but need not necessarily, be recorded from time-to-time by Declarant (or with the express prior written consent of Declarant, in its sole discretion). A supplemental declaration shall be supplemental to this Declaration, and may create a sub-association and/or impose supplemental obligations, covenants, conditions, or restrictions, or reservations of easements, with respect to a particular portion of the Property or other land described in such instrument. This Declaration and any supplemental declaration shall be construed to be consistent with each other to the greatest extent reasonably possible; however, in the event of any irreconcilable conflict, the provisions of this Declaration shall prevail. Any purported supplemental declaration recorded by a person other than Declarant, without the express prior written consent of Declarant, shall be null and void.

Section 15.6 Sub-Associations. Sub-associations may be created from time-to-time, to administer particular portions of the Property; provided that no sub-association may be validly organized except pursuant to the authority and jurisdiction of a supplemental declaration as set forth in Section 15.5 above. A duly created sub-association shall be a supplemental homeowners' association, organized pursuant to the authority and jurisdiction of a supplemental declaration, with concurrent and supplemental jurisdiction (subject to this Declaration and the other Project Documents) with the Association with respect to a particular portion of the Property.

A sub-association shall have the power to establish standards and conduct activities for the property under its responsibility, subject to the Property Documents and any documents created in connection with the creation and ongoing operations of the sub-association. Notwithstanding the foregoing, the Association shall have the power and authority to veto any action taken or contemplated to be taken by any sub-association which the Board reasonably determines to be in violation of the Project Documents, or adverse or detrimental to the best interests of the Association, or its Members. The Association also shall have the power to reasonably require specific action to be taken by any sub-association in connection with the sub-association's obligations and responsibilities (for example, without limitation, requiring specific maintenance or repairs, or requiring that a proposed sub-association budget include certain items and that expenditures be made therefor). A sub-association shall take appropriate action required by the Association by written notice, within the reasonable time frame set-forth in such notice. If the sub-association fails to so comply, the Association shall have the power and authority to effectuate such action on behalf of the sub-association and to levy special assessments, pursuant to Article 4 above of this Declaration, to cover the reasonable costs thereof.

Section 15.7 Other Rights. Declarant reserves all other rights, powers, and authority of Declarant set-forth in this Declaration, and, to the extent not expressly prohibited by Applicable Arizona law, further reserves all other rights, powers, and authority, in Declarant's sole discretion, of a declarant under applicable Arizona law.

Section 15.8 Disclaimers and Releases. By acceptance of a deed to a Residential Unit, each purchaser or Owner, for itself and all persons claiming under such purchaser or Owner, shall conclusively be deemed to have acknowledged and agreed: (a) that Declarant specifically disclaims any and all representations and warranties, express and implied, with regard to any of the disclosed or described matters (other than to the extent expressly set-forth in the foregoing disclosures); and (b) to fully and unconditionally release Declarant and the Association, and their respective officers, managers, agents, employees, suppliers and contractors, and their successors and assigns, from any and all loss, damage or liability (including, but not limited to, any claim for nuisance or health hazards) related to or arising in connection with any disturbance, inconvenience, injury, or damage resulting from or pertaining to all and/or any one or more of the conditions, activities, occurrences described herein.

Section 15.9 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable will not affect the validity or enforceability of any of the other provisions hereof.

Section 15.10 Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration are determined by a court of competent jurisdiction (upheld on appeal) to be unlawful, void or voidable for violation of the rule against perpetuities, then the covenants, conditions, restrictions or other provisions so determined to be unlawful, void or voidable will continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of the person holding the office of President of the United States on the date this Declaration is Recorded.

Section 15.11 References to this Declaration in Deeds. Deeds to and instruments affecting any Lot or any other part of the Project may contain the covenants, conditions and

restrictions herein set-forth by reference to this Declaration, but whether or not any such reference is made in any deed or instrument, each and all of the provisions of this Declaration are and will be binding upon the grantee-Owner or other Person claiming through any instrument and his, her or its heirs, executors, administrators, successors and assigns.

Section 15.12 Indemnification. The Association will indemnify each and every officer and director of the Association, each and every member of the Architectural Committee, and each and every member of any committee appointed by the Board (including, for purposes of this Section, former officers and directors of the Association, former members of the Architectural Committee, and former members of committees appointed by the Board) (collectively, "Association Officials" and individually an "Association Official") against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon an Association Official in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the Board serving at the time of such settlement) to which he or she may be a party by reason of being or having been an Association Official, except for his or her own individual willful misfeasance, malfeasance, misconduct or bad faith. No Association Official will have any personal liability with respect to any contract or other commitment made by them or action taken by them, in good faith, on behalf of the Association (except indirectly to the extent that such Association Official may also be a Member of the Association and therefore subject to Assessments hereunder to fund a liability of the Association), and the Association will indemnify and forever hold each such Association Official free and harmless from and against any and all liability to others on account of any such contract, commitment or action. Any right to indemnification provided for herein is not exclusive of any other rights to which any Association Official may be entitled. If the Board deems it appropriate, in its sole discretion, the Association may advance funds to or for the benefit of any Association Official who may be entitled to indemnification hereunder to enable such Association Official to meet on-going costs and expenses of defending himself or herself in any action or proceeding brought against such Association Official by reason of his or her being, or having been, an Association Official. In the event it is ultimately determined that an Association Official to whom, or for whose benefit, funds were advanced pursuant to the preceding sentence does not qualify for indemnification pursuant to this Section 15.12 or otherwise under the Articles, Bylaws or applicable law, such Association Official must promptly upon demand repay to the Association the total of such funds advanced by the Association to him or her, or for his or her benefit, with interest (should the Board so elect) at a rate not to exceed ten percent (10%) per annum from the date(s) advanced until paid.

Section 15.13 Notice of Violation. The Association has the right to Record a written notice of a violation by any Owner or Occupant of any restriction or provision of the Project Documents. The notice must be executed and acknowledged by an officer of the Association and must contain substantially the following information: (a) the name of the Owner or Occupant; (b) the legal description of the Lot against which the notice is being Recorded; (c) a brief description of the nature of the violation; (d) a statement that the notice is being Recorded by the Association pursuant to this Declaration; (e) a statement of the specific steps which must be taken by the Owner or Occupant to cure the violation; and (f) any other information required by applicable law. Recordation of a notice of violation will serve as a notice to the Owner and Occupant, and to any subsequent purchaser of the Lot, 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 will Record a notice of compliance which will state the legal description of the Lot against which the notice of violation was recorded, the Recording data of the notice of violation, and will state that the violation referred to in the notice of violation has been cured or, if such be the case, that it did not exist. Notwithstanding the foregoing, failure by the Association to Record a notice of violation will not constitute a waiver of any existing violation or evidence that no violation exists.

Section 15.14 Disclaimer of Representations. Notwithstanding anything to the contrary herein, neither the Declarant nor any Declarant affiliate makes any warranties or representations whatsoever that the plans presently envisioned for the complete development of the Project can or will be carried out, or that any real property now owned or hereafter acquired by the Declarant or by any Declarant affiliate is or will be subjected to this Declaration, or that any such real property (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such real property is once used for a particular use, such use will continue in effect. While neither the Declarant nor any Declarant affiliate believes that any of the restrictive covenants contained in this Declaration is or may be invalid or unenforceable for any reason or to any extent, neither the Declarant nor any Declarant affiliate makes any warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants assumes all risks of the validity and enforceability thereof and by accepting a deed to the Lot agrees to hold the Declarant and all Declarant affiliates harmless therefrom.

ARTICLE XVI SPECIAL PROVISIONS

Section 16.1 Disclosure of Agricultural Operations Near Project. Each Owner, by accepting a deed to a Lot, acknowledges that: (a) the Project is located in close proximity to agricultural uses; (b) Lots within the Project may be subject to noise, odors, dust, fumes, smells and physically airborne particulates caused by such agricultural uses; and (c) pesticides, insecticides and fertilizers may drift over and disperse upon portions of the Project from time to time as a result of crop dusting activities on neighboring agricultural properties.

Section 16.2 Disclosure of Power Lines Near Project. Each Owner, by accepting a deed to a Lot, acknowledges that the Project is located in the vicinity of a proposed 230 KV overhead electrical line planned along the west side of Perryville Road.

Section 16.3 No Representations Regarding Future Use of Adjacent Land; Zoning Disclosure. Declarant makes no representations or warranties regarding the future use or development of land adjacent to the Project. Each Owner, by accepting a deed to a Lot, acknowledges that such land may in the future be subdivided or otherwise developed for one or more residential and commercial uses. Owners are encouraged to review the City's zoning maps to ascertain land uses approved for the Project, including the location of approved parks, schools, commercial development and residential densities as well as the locations of electrical power lines.

Section 16.4 Airport and Air Force Base Disclosure and Release. The Property is subject to attendant noise, vibrations, dust and all other effects that may be caused by overflights and by the operation of aircraft landing at, or taking off from the Luke Air Force Base and/or the Phoenix-Goodyear Airport. Each Owner does release and discharge the City, Declarant, and all Builders from any liability for any and all claims for future damages and complaints of any kind to persons or property that may arise at any time in the future from the operation of aircraft near and over the area.

Section 16.5 Vehicular Traffic Disclosure and Release. The Project is in proximity to the proposed Loop 303 and I-10 reliever and/or arterial and major roadways and may be subject to potential noise, intrusion, vibrations, dust and other effects that may be caused from vehicular traffic on such freeways and the construction of such freeways. Also, each Residential Unit is located in proximity to streets and other Residential Units within the Property, and subject to substantial levels of sound and noise. Each Owner does release and discharge the City, Declarant, and all Builders from any liability of any and all claims for future damages and complaints of any kind to persons or property that may arise at any time in the future from vehicular traffic near the Project.

Section 16.6 School Site Disclosure. The Project is in proximity to as proposed elementary school site and may therefore be subject to potential noise, intrusion, traffic, and other effects of such use.

Section 16.7 Commercial Site Disclosure. The Project is located adjacent to or nearby property permitted for commercial use and may therefore be subject to substantial levels of sound, noise, traffic and all other effects associated with such a use.

Section 16.8 View Impairment. Neither Declarant nor the Association guarantees or represents that any view over and across the open space from adjacent units or other property will be preserved without impairment. Any express or implied easements for view purposes and/or for the passage of light and air are hereby expressly disclaimed.

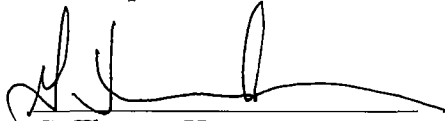
Section 16.9 Gas Lines. The Property or portions thereof are or may be nearby major regional underground natural gas transmission pipelines.

Section 16.10 Wild Animals. The Property is located adjacent or nearby to certain undeveloped areas which may contain various species of wild creatures (including, but not limited to, coyotes and foxes), which may from time to time stray onto the Property, and which may otherwise pose a nuisance or hazard. Any cost to repair or correct damage caused by any such wild creature to an Owner's Lot shall be at Owner's sole expense.

Section 16.11 Construction Nuisances. Residential subdivision and new home construction are subject to and accompanied by substantial levels of noise, dust, traffic, and other construction-related "nuisances." Each Owner acknowledges and agrees that it is purchasing a Residential Unit which is within a residential subdivision currently being developed, and that the Owner will experience and accepts substantial level of construction-related "nuisances" until the subdivision (and other neighboring portions of land being developed) have been completed and sold out.

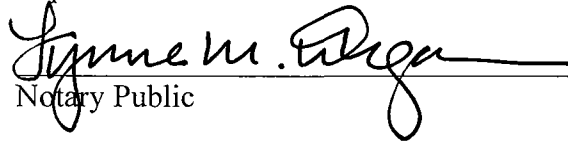
Date: February 10, 2010.

Taylor Morrison/Arizona, Inc.,
an Arizona corporation

By: 
G. Thomas Hennessy
Its: Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this 10th day of February, 2010 by
G. Thomas Hennessy, the Vice President of Taylor Morrison/Arizona, Inc., an Arizona
corporation, for and on behalf of the corporation.


Notary Public

My commission expires:



EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Las Brisas Phase 1

Lots 1 through 324, inclusive and Tracts A through Z, inclusive, of Las Brisas Phase 1, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona recorded in Book 886 of Maps, Page 39.

Las Brisas Phase 2A

Tracts A through Z, inclusive, and Tracts AA and CC, inclusive of Las Brisas Phase 2A, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona recorded in Book 929 of Maps, Page 48.

Las Brisas Phase 2B

Tracts A through Z, inclusive, and Tracts AA through GG, inclusive of Las Brisas Phase 2B, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona recorded in Book 969 of Maps, Page 32.

Map of Dedication

Tracts A through L, inclusive of Map of Dedication for West Las Brisas Drive and South 183rd Avenue, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona recorded in Book 940 of Maps, Page 6.

EXHIBIT B

LEGAL DESCRIPTION OF ADDITIONAL PROPERTY

Las Brisas Phase 2A

Lots 1 through 296, inclusive of Las Brisas Phase 2A, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona recorded in Book 929 of Maps, Page 48.

Las Brisas Phase 2B

Lots 1 through 252, inclusive of Las Brisas Phase 2B, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona recorded in Book 969 of Maps, Page 32.

Las Brisas Phase 2C

A parcel of land comprised of two tracts situated in a portion of the South half of Section 22, Township 1 North, Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Tract 1

COMMENCING at the Southwest corner of said Section 22, being a brass cap flush, from which the South Quarter corner of said Section 22, being an aluminum cap flush bears North 89E55'37" East, a distance of 2644.31 feet; THENCE North 89E55'37" East along the South line of said Section 22, a distance of 815.00 feet; THENCE North 00E01'20" West, departing the South line of said Section 22, a distance of 55.00 feet to the POINT OF BEGINNING; THENCE continuing North 00E01'20" West, a distance of 1229.04 feet, to a point on a circular curve to the left having a radius of 1290.00 feet, a central angle of 14E13'59" and being subtended by a chord which bears North 80E10'58" East, 319.63 feet; THENCE along said curve to the left, a distance of 320.45 feet; THENCE South 16E56'01" East radial to said curve, a distance of 5.00 feet, to a point on a circular curve to the left having a radius of 1295.00 feet, a central angle of 8E44'07" and being subtended by a chord which bears North 68E41'55" East, 197.24 feet; THENCE along said curve to the left, a distance of 197.43 feet, to a Point of Reverse Curvature of a circular curve to the right having a radius of 20.00 feet, a central angle of 86E56'55" and being subtended by a chord which bears South 72E11'41" East, 27.52 feet; THENCE along said curve to the right, a distance of 30.35 feet; THENCE North 61E16'47" East radial to said curve, a distance of 100.00 feet, to a point on a circular curve to the right having a radius of 20.00 feet, a central angle of 86E56'55" and being subtended by a chord which bears North 14E45'14" East, 27.52 feet; THENCE along said curve to the right, a distance of 30.35 feet, to a Point of Reverse Curvature of a circular curve to the left having a radius of 1295.00 feet, a central angle of 10E03'46" and being subtended by a chord which bears North 53E11'49" East, 227.14 feet;

THENCE along said curve to the left, a distance of 227.44 feet, to a Point of Reverse Curvature of a circular curve to the right having a radius of 100.00 feet, a central angle of 80E56'46" and being subtended by a chord which bears North 88E38'19" East, 129.82 feet;
THENCE along said curve to the right, a distance of 141.28 feet, to a Point of Reverse Curvature of a circular curve to the left having a radius of 1305.00 feet, a central angle of 9E03'23" and being subtended by a chord which bears South 55E24'59" East, 206.06 feet;
THENCE along said curve to the left, a distance of 206.28 feet, to a Point of Reverse Curvature of a circular curve to the right having a radius of 20.00 feet, a central angle of 86E13'07" and being subtended by a chord which bears South 16E50'07" East, 27.34 feet;
THENCE along said curve to the right, a distance of 30.10 feet;
THENCE South 66E40'48" East, a distance of 100.13 feet, to a point on a circular curve to the right having a radius of 20.00 feet, a central angle of 85E38'11" and being subtended by a chord which bears North 69E05'32" East, 27.19 feet;
THENCE along said curve to the right, a distance of 29.89 feet, to a Point of Reverse Curvature of a circular curve to the left having a radius of 900.00 feet, a central angle of 21E57'40" and being subtended by a chord which bears South 79E04'13" East, 342.86 feet;
THENCE along said curve to the left, a distance of 344.96 feet;
THENCE North 89E56'57" East tangent to said curve, a distance of 269.47 feet, to a point on a circular curve to the left having a radius of 90.00 feet, a central angle of 22E30'07" and being subtended by a chord which bears South 45E03'03" East, 35.12 feet;
THENCE along said curve to the left, a distance of 35.35 feet;
THENCE South 00E03'03" East, a distance of 1290.80 feet to a point on the North line of the South 55.00 feet of said Section 22;
THENCE South 89E55'37" West, along said North line, a distance of 1859.29 feet to the POINT OF BEGINNING and containing 2,539,302 square feet or 58.294 acres of land, more or less.

TRACT 2

COMMENCING at the South Quarter corner of said Section 22, being an aluminum cap flush, from which the Southwest corner of said Section 22, being a brass cap flush, bears South 89E55'37" West, a distance of 2644.31 feet; THENCE North 89E55'39" East along the South line of said Section 22, a distance of 130.00 feet; THENCE North 00E03'03" West, departing the South line of said Section 22, a distance of 55.00 feet to the POINT OF BEGINNING;
THENCE continuing North 00E03'03" West, a distance of 1290.76 feet, to a point on a circular curve to the left having a radius of 90.00 feet, a central angle of 22E24'05" and being subtended by a chord which bears North 44E59'59" East, 34.96 feet;
THENCE along said curve to the left, a distance of 35.19 feet, to a point on a circular curve to the right having a radius of 1450.00 feet, a central angle of 6E55'26" and being subtended by a chord which bears South 85E49'03" East, 175.12 feet;
THENCE along said curve to the right, a distance of 175.22 feet;
THENCE South 82E21'20" East tangent to said curve, a distance of 116.52 feet, to the Point of Curvature of a circular curve to the left having a radius of 1250.00 feet, a central angle of 23E09'27" and being subtended by a chord which bears North 86E03'57" East, 501.79 feet;
THENCE along said curve to the left, a distance of 505.22 feet;
THENCE North 74E29'13" East tangent to said curve, a distance of 180.91 feet, to the Point of

Curvature of a circular curve to the right having a radius of 1450.00 feet, a central angle of 15E24'11" and being subtended by a chord which bears North 82E11'19" East , 388.64 feet;
THENCE along said curve to the right, a distance of 389.81 feet;
THENCE North 89E53'24" East tangent to said curve, a distance of 494.37 feet, to the Point of Curvature of a circular curve to the right having a radius of 20.00 feet, a central angle of 90E00'00" and being subtended by a chord which bears South 45E06'36" East, 28.28 feet;
THENCE along said curve to the right, a distance of 31.42 feet;
THENCE North 89E53'24" East, a distance of 100.00 feet, to a point on a circular curve to the right having a radius of 20.00 feet, a central angle of 90E00'00" and being subtended by a chord which bears North 44E53'24" East, 28.28 feet;
THENCE along said curve to the right, a distance of 31.42 feet;
THENCE North 89E53'24" East tangent to said curve, a distance of 448.23 feet;
THENCE South 00E06'36" East, a distance of 817.71 feet to a point on the North line of Parcel No. 2 of those parcels described in the deed to Tucker Farms Limited Partnership, recorded in document number 92-676470 of the Maricopa County Records;
THENCE South 89E57'20" West, along the North line of said Tucker Farms Parcel No. 2 and along the North line of a tract of land described in the deed to Joan Hardison, recorded in Document Number 2005-0470096 of the Maricopa County Records, a distance of 1266.69 feet;
THENCE South 00E04'49" East, along the West line of said Hardison tract a distance of 604.73 feet;
THENCE South 89E55'39" West, departing the West line of said Hardison tract, a distance of 606.01 feet;
THENCE North 45E04'21" West, a distance of 28.28 feet;
THENCE South 89E55'39" West, a distance of 60.00 feet;
THENCE South 44E55'39" West, a distance of 28.28 feet;
THENCE South 89E55'39" West, a distance of 485.99 feet to the POINT OF BEGINNING and containing 2,600,233 square feet or 59.693 acres of land, more or less.

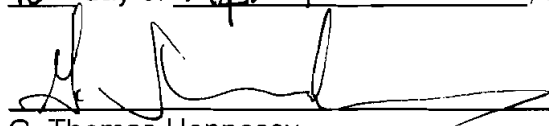
Exhibit B

**UNANIMOUS CONSENT TO ACTION
BY THE BOARD OF DIRECTORS
LAS BRISAS COMMUNITY ASSOCIATION
c/o AAM, LLC
7740 North 16th Street, Suite 300
Phoenix, AZ 85020
(602) 957-9191**

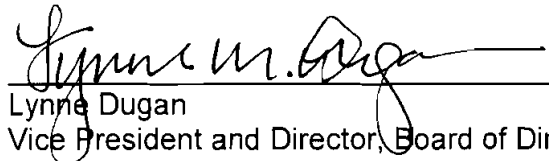
The undersigned, constituting all of the members of the Board of Directors of Las Brisas Community Association, an Arizona nonprofit corporation, hereby take the following actions in writing and without a meeting pursuant to Section 10-3821, Arizona Revised Statutes, which actions shall have the same force and effect as if taken by the Board at a duly called meeting of the Board.

RESOLVED that the Board of Directors hereby adopts the attached Design Guidelines dated April 16, 2010.

IN WITNESS WHEREOF, the undersigned have executed this consent as of the 16th day of April, 2010.



G. Thomas Hennessy
President and Director, Board of Directors



Lynne Dugan
Vice President and Director, Board of Directors



Leah Grogan
Secretary/Treasurer and Director, Board of Directors

LAS BRISAS COMMUNITY ASSOCIATION DESIGN GUIDELINES



ASSOCIATION RULES AND DESIGN GUIDELINES April 16, 2010

The Association Rules and Design Guidelines (“Rules”), as set-forth in this document, shall interpret and implement procedures for the Architectural Committee’s (“Committee”) review and standards, including, but not limited to, architectural design, placement of buildings, landscaping, plant selection, color schemes, exterior finishes and materials, signage, and wall design. These documents are intended to enhance the property values and the high standards of development that exist within Las Brisas. Unless specifically identified as not requiring a submittal for approval within this document, prior approval from the Committee is required. The Rules are established to assist Owners in conforming to the standards established and may be amended from time to time by the Committee. Each application will be reviewed on a case-by-case basis.

PRIOR TO THE COMMENCEMENT OF CONSTRUCTION, INSTALLATION, ADDITION, ALTERATION, REPAIR, CHANGE OR REPLACEMENT OF ANY IMPROVEMENT WHICH WOULD ALTER THE EXTERIOR APPEARANCE OF THE IMPROVEMENT, A COMPREHENSIVE, COMPLETE AND DETAILED WRITTEN REQUEST FOR APPROVAL SPECIFYING IN DETAIL THE NATURE AND EXTENT OF THE CHANGE WHICH THE OWNER DESIRES TO PERFORM (“APPLICATION”) MUST BE SUBMITTED TO THE COMMITTEE. APPROVAL TO PROCEED SHALL BE REQUIRED IN WRITING FROM THE COMMITTEE. FOLLOWING THESE RULES DOES NOT ELIMINATE THE NEED FOR SUBMISSION OF PLANS (UNLESS SPECIFICALLY NOTED HEREIN).

APPLICATION PROCEDURE

Submittal

Application and plans (which will be kept on file with the Association) should be mailed to:

Las Brisas Community Association
c/o AAM, LLC
1600 W. Broadway Rd., Ste 200
Tempe, AZ 85282

You may reach the Management Company by phone at (602) 957-9191, by fax at (602) 870-8231 or by email at www.aamaz.com.

The following information should be included with the submittal:

1. **Application – Architectural Committee Application Form:** A completed Application Form (attached or additional copies may be obtained from the Management Company).
2. **Plot Plan:** A site plan showing dimensions, relation to existing dwelling and property lines (setbacks). Measurements must be written on the plans.
3. **Elevation Plans:** Plans showing finished appearance of improvement in relation to existing dwelling.
4. **Specifications:** Detailed description of materials to be used, color samples, and dimensions must be submitted.
5. **Photograph:** If submittal is for an existing structure or improvement, a photograph of the structure or improvement must accompany the submittal application.

All buildings, driveways, gates, fences, walls, structures, landscaping and other Improvements erected within Las Brisas, and the use and appearance of all land within Las Brisas, shall comply with all applicable Federal, State or local law, statute, ordinance, rule or regulation, as well as the Declaration and these Rules. Committee approval will not meet, supersede or provide compliance with any Federal, State, local or other regulatory laws, statutes, ordinances, rules and regulations.

REVIEW-APPROVAL AND/OR DISAPPROVAL

The Committee shall have sixty (60) days after submittal of plans to approve or disapprove plans. No verbal approvals/disapprovals will be given by the management company. All decisions will be mailed through the United States Postal Service.

Review will include, but is not limited to, consideration of material, quality of workmanship, colors, and consistency with the external design and color of existing structures on the Lot and impact on neighboring Lots. The location of the improvement with respect to topography and finished grade elevation is also considered.

Neither the Committee, the Board of Directors, the Declarant nor the management company (if in place) shall have any liability in connection with or related to approved

plans, specifications, or improvements. The approval of the plans does not mean that judgment is passed on the structural soundness of the Improvement nor its effect upon existing or future drainage. The review of the plans is for aesthetic purposes only.

Approval Expiration: Construction must be started within ninety (90) days of the date of the Committee's approval of the application, or the Committee's approval shall be deemed withdrawn and plans must be resubmitted in accordance with these Rules.

Construction Period: Once started, construction shall be pursued diligently in order to assure prompt completion thereof. Absent a different deadline for completion of construction (which may be shorter or longer, at the Committee's discretion), such construction shall be completed within six (6) months of the date of the Committee's approval of the application.

Appeal: Any appeal of the Committee's decision must be submitted in writing, within thirty (30) days of the mailing date of the Committee's decision, to:

Las Brisas Community Association
C/O AAM, LLC
1600 W. Broadway Rd., Ste 200
Tempe, AZ 85282

PURSUANT TO SECTION 3.3 OF THE DECLARATIONS, THE BOARD OF DIRECTORS MAY FROM TIME TO TIME ADOPT, AMEND AND REPEAL RULES AND REGULATIONS. PURSUANT TO SECTION 6.2 OF THE DECLARATIONS, THE COMMITTEE SHALL HAVE THE RIGHT FROM TIME TO TIME AMEND AND SUPPLEMENT THESE DESIGN GUIDELINES.

DESIGN GUIDELINES

ANTENNAS/SATELLITE DISHES: This section applies to antennas, satellite television dishes, and other devices ("Receivers"), including any poles or masts ("Masts") for such Receivers, for the transmission or reception of television or radio signals or any other form of electromagnetic radiation. All Receivers one (1) meter or less in diameter are subject to the provisions of Title 47, Section 1.4000 of the Code of Federal Regulations ("Federal Regulations") and shall be installed in the following locations, listed below in order of preference:

1. A location in the back yard of the Lot where the Receiver will be screened from view by landscaping or other improvements;
2. An unscreened location in the backyard of the Lot;
3. On the roof, but completely below the highest point on the roof line;
4. A location in the side yard of the Lot where the Receiver and any pole or mast will be screened from view by landscaping or other improvements;
5. On the roof above the roofline;
6. An unscreened location in the side yard;
7. A location in the front yard of the Lot where the Receiver will be screened from view by landscaping or other improvements.

All brackets and cables used for installation of the dish must be securely attached and painted to match the color of the surface to which they are attached.

AWNINGS: All awnings must be approved by the Committee. Awnings over all windows shall be canvas or similar material of solid color on both sides, which match the color of the body of the exterior of the home or roof color. Awnings shall be installed only on the side and/or rear of the home. All awning submittals must include (i) a drawing with the location of the proposed awning installation; (ii) a sample of the material to be used; and (iii) the colors and design of the proposed awning. Owner is responsible for maintenance and repair of awnings. The Association retains the right to determine when an awning must be repaired and/or replaced due to weathering, fading, tearing, ripping, etc.

BASKETBALL GOALS: Permanent and portable basketball goals will be considered if they meet the following requirements:

1. Basketball equipment must be stored in the backyard when not in use.
2. Only pole mounted backboards and goals are acceptable. Poles must be set in the ground permanently. Backboards shall not be attached to the house, garage or roof.
3. All basketball poles installed or used in front of the home must be placed on the exterior side of the driveway.
4. Backboards must be of a predominantly neutral color (gray, black or white) or match the color of the body of the exterior of the home. Clear backboards are acceptable without painting.
5. Permanent basketball poles must be a predominantly neutral color (gray, black or white) or match the color of the body of the exterior of the home.
6. All equipment must be constantly maintained. Broken backboards, disfigured or bent rims, ripped or torn nets, chipped and/or peeling paint, etc., should be promptly repaired or replaced.
7. Only nylon or similar cord nets are acceptable. Metal or chain nets are expressly prohibited.
8. Courts MAY NOT be painted or permanently outlined on the driveway or other concrete surfaces.
9. Lighting for night use of the equipment is prohibited.
10. Permanent basketball goals located in the rear yard must comply with all above applicable guidelines.

CLOTHES DRYING STRUCTURES: No outside clotheslines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Lot so as to be Visible from Neighboring Property.

DECORATIVE ART ON HOUSES: Decorative Art on houses shall be neutral in color and may be limited in number, so as to not dominate the appearance of the home. Dimensions of decorative art shall be no greater than three feet (3') in length, width, and height.

DECORATIVE ITEMS: Front yard item(s) must be submitted for approval by the Committee. The Board of Directors reserves the right to require removal of decorative items in front yards based on size, quantity, color and location and any other criteria the Board of Directors may determine.

WATER FEATURES, FOUNTAINS, STATUARY, ETC.: Items such as fountains, statuary, etc., are permissible within the rear yard and do not require submittal to the Committee, except on Lots with view fencing or if these items will be visible above the fence. These items must be approved by the Committee prior to installation in the front yard. Statuary must be of earth tone colors, no painted finishes. The Committee reserves the right to limit the size and quantity of statuary. All functional and/or decorative items must be approved before being placed in the front yard or rear yard with view fencing to include swings, benches, stools, etc. Water features may not exceed four and one half feet (4-½') in height. It is recommended that water features be chlorinated or water must be kept moving so as to not allow for the breeding of pests.

DRIVEWAY EXTENSIONS AND SIDEWALKS: Driveway extensions will be reviewed for approval providing the following conditions are met:

1. Only driveway extensions immediately adjacent to the existing driveway located in the side yard of the property will be considered.
2. Submittals must include a plot plan with the following noted thereon: (i) the location and dimensions of the proposed extension, (ii) the existing driveway dimensions, and (iii) the total linear feet of Lot frontage.
3. The total parking area may not exceed thirty feet (30') of contiguous frontage or fifty percent (50%) of the Lot width (existing plus extension) as measured at its widest point, whichever is greater.
4. Painting of paved surfaces is prohibited without Committee approval.
5. There must be at least a one foot (1') setback between the extension and the side Lot line. Such setback area shall be installed with groundcover per the Landscaping Guidelines or to match the existing front yard ground cover (i.e., decomposed granite).

ADDITIONAL SIDEWALKS: Sidewalks installed to utilize the side gates do not need to be submitted if all the following conditions are met:

1. The additional sidewalk is four feet (4') or less in width, is one foot (1') or more from the property line, and is one foot (1') or more from the home.
2. The area between the home and the sidewalk addition must have groundcover installed per the Landscaping Guidelines or to match the existing front yard ground cover (i.e., decomposed granite).

Additional sidewalks in any other location must be submitted for approval.

The Committee reserves the right to review and request changes to driveway extensions and sidewalks per these requirements.

FENCES AND WALLS INCLUDING DECORATIVE WALLS: Any Owner proposing to modify, alter, add to or rebuild a wall (other than rebuilding in a manner materially consistent with the previously existing wall) must submit to the Committee for approval.

The Application must include written consent of adjoining owners for any modification to a Party Wall. Information on the height of all walls that will abut the wall(s) being proposed for modification, materials to be used, and texture and color of finished wall must also be submitted with Application. Side and rear walls may not exceed six feet (6') in height from ground level, as measured from the lowest side of the wall. Plans for new fences or walls must be submitted to the Committee prior to construction. Walls must match the existing wall in texture and color.

Decorative or garden walls may not exceed thirty-six inches (36") in height. Decorative or garden walls must be submitted for approval prior to installation and be finished to match the base color of the home or be installed with materials consistent with the Community such as stone, brick, etc.

FIREPLACES: Installation of outdoor fireplaces requires advance approval by the Committee. Outdoor fireplaces may not exceed fence height.

FLAGPOLES: The official flag of (i) the United States; (ii) the State of Arizona; (iii) the Armed Forces; such as U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, U.S. Coast Guard; (iv) POW/MIA flags; and (v) an Arizona Indian Nation Flag may be displayed on any Lot provided (i) such flag is displayed in the manner required under the Federal flag code from a pole attached to a Residential Unit on the Lot; (ii) the pole is no higher than the top of the Residential Unit; (iii) the pole is no longer than ten feet (10') in length and does not extend more than ten feet (10') from the edge of the Residential Unit; (iv) the flag is no more than twenty-four (24) square feet in size; (v) any flag lighting is in compliance with the Lighting section below; and (vi) the flag is maintained in good condition at all times. The flag of another nation may be displayed in lieu of the United States Flag on national holidays of such nation provided such display complies with the same requirements as displaying the United States Flag.

GATES: All requests for additional gates or gates other than those which were offered by the original developer/builder of the Lot/home must be submitted for Committee approval. Placement of gate(s) must be approved by the Committee. Double gates may be installed to allow wider access to rear yards. All gates (double or single) should be of the same material, design and color as the originally installed single gates, unless approved by the Committee. Gates may be painted to match the fence with approval from the Committee.

GUTTERS AND DOWNSPOUTS: Gutters and downspouts will be considered for approval if the finish matches the color of the home. Downspouts must be directed so as not to drain on neighboring properties. The Association strongly recommends the use of high quality materials that offer long life, as the gutters must be maintained in good condition at all times.

HVAC INCLUDING EVAPORATIVE COOLERS AND SOLAR PANELS: Except as initially installed by the Declarant or a Designated Builder, no heating, air conditioning, evaporative cooling or solar energy collecting unit or panels shall be placed, constructed or maintained upon any Lot without the prior written approval of the

Committee. All units shall be ground mounted, located within the perimeter of the rear yard and screened or concealed from view of all neighboring property.

LIGHTING: Except as initially installed by the Declarant, no spotlights, floodlights or other high intensity lighting shall be placed or utilized upon any Lot or any structure erected thereon which in any manner will allow light to be directed or reflected on any other property except as approved by the Committee.

MACHINERY AND EQUIPMENT: No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot, except such machinery or equipment as is usual and customary in connection with the use or maintenance of Improvements constructed by the Declarant or a Designated Builder or approved by the Committee.

Oil pans, carpet, boards or any other object used to collect oil spills from driveways must be removed when not in use to prevent them from being Visible from Neighboring Property.

PAINT COLORS: The paint colors used by the Builder are highly recommended for use in all instances. In the case of any variation from the original colors, the preferred colors are earth tones. Trim colors shall not dominate the exterior appearance and shall be of the same color range as the major color. The Committee must approve colors prior to painting.

PATIO COVERS: Roofing materials should match that which were installed by the builder on the original roof of the home or that which were offered as an option by the builder for a patio cover.

Color and material of supports should match the home. Roof shall be flat or match the pitch of the roof of the home. All patio covers not installed by the Builder will need to be reviewed by the Committee on an individual basis prior to installation, with strong consideration being given to any impact of architectural features in the neighborhood.

PLAYGROUND EQUIPMENT: Plans for play structures and similar recreational equipment must be submitted for approval since in most instances they protrude over the fence line. This is not to eliminate play structures, but to consider privacy issues for adjacent neighbors.

The maximum height that will be considered for approval of swing sets is twelve feet (12'). The maximum height for any deck/platform area is four feet (4') above ground level. The play structure may be placed no closer than five feet (5') to any Lot line. When considering plan approval, the Committee will consider the appearance, height and proximity to neighboring property. Submittals must include a picture or brochure of the structure, total dimensions, materials and a plot map or drawing indicating the proposed location and its proximity to adjacent property lines.

The color of canopy of the play structure must be one of the following (i) a "neutral" color of off white, beige, or light brown, (ii) a single solid color of red, blue, green, or

yellow, or (iii) striped with white or another primary color and one (1) other color of red, blue, green, or yellow. Prints and multi-colored striped canopies are prohibited.

POOLS AND SPAS: In-ground pools and spas or above ground pools on Lots completely enclosed by a solid wall or fence that is at least six feet (6') high or any Lot that does not have non-solid fencing (i.e., wrought iron rather than a solid wall) do not require the prior approval of the Committee. Above ground pools shall not be permitted on Lots with non-solid fencing (i.e. wrought iron fence).

Perimeter walls on Lots bordering common areas may NOT be torn down to allow access to rear yards. **AN ASSESSMENT OF \$2,000.00 WILL BE ASSESSED TO A LOT IN WHICH A COMMON WALL HAS BEEN REMOVED.** Access must be gained through the front gate or the front wall on the side of the home. Repairs to the gate, wall and any front yard landscaping that may be damaged must be completed in a timely fashion and include returning to their original condition. Walls must match the texture and color of the existing wall.

All pool and spa equipment must be screened from view of neighboring property. Lots with non-solid fencing (i.e., wrought iron fencing) must submit equipment screening plans for approval to the Committee. See also Pool Fencing and Equipment below.

Pools may not be backwashed into any common area or off of the Lot on which the pool has been installed. Check with your pool contractor concerning City ordinance requirements for backwashing. Damage to common areas due to backwashing, including erosion, will be repaired by the Association, and all expenses incurred by the Association will be billed to the Owner.

Pool ladders, slides, rock waterfalls, etc. that exceed the height of the fence or wall must have prior approval of the Committee. Such items shall not exceed eight feet (8') in height and must be set back a minimum of five feet (5') from all surrounding property lines.

POOL FENCING AND EQUIPMENT: The specifications for rear yard wrought iron pool fencing installation on a Lot with view fencing shall be of a neutral earth tone color to match or blend with the exterior color of the home or match the existing wrought iron fencing color. Pool fencing must meet all City, County, State and Federal requirements.

Pool equipment on Lots with non-solid fencing (i.e., wrought iron fencing) must be screened so as to not be Visible from Neighboring Property. Screening may be through plant material or hardscape enclosure. Hardscape enclosures do not require approval if the enclosure does not exceed four feet (4') in height and is painted to match the base color of the home. All other screening material requires approval from the Committee.

RAMADAS, GAZEBOS AND SIMILAR STRUCTURES: All ramadas, gazebos, casitas and similar structures must be submitted for approval. They may not exceed ten feet (10') at their highest point and must be set back a minimum of five feet (5') from surrounding property lines. Roof and structure color and material must match those used by the Builder in the original construction of the dwelling, and be approved by the

Committee prior to installation. Location of the structure must comply with the Declarations and local government ordinances. Palapas or Tiki Huts shall not be considered for approval by the Committee.

ROOF AND ROOF STRUCTURES: If the Residential Unit has a pitched roof, the roofing material for that portion Visible from Neighboring Property must be clay or concrete tile. Unless specifically authorized in this document, no heating, air-conditioning, ventilation equipment, or any other equipment or structures shall be located or installed on any roof. In addition, any such equipment or structures shall not be located, installed or maintained anywhere on a Lot, if it is Visible from Neighboring Property.

SECURITY LIGHTING/DEVICES: Security lighting must be directed as not to shine on neighboring property.

Security features including, but not limited to, doors and windows must be submitted for approval.

SECURITY DOORS, SCREEN DOORS AND SUNSCREENS: Wrought iron security/screen doors need not be submitted for approval provided they are painted to match the base color of the home or are a neutral "earth tone" color.

Silver colored aluminum screen/security doors and/or wire screen mesh doors are strictly prohibited on front doors.

Bronze, gray, charcoal, brown or beige sunscreen material may be installed and not submitted for approval provided that the window frame matches the sunscreen material or the existing window frames.

Reflective window films are expressly prohibited. Bronze or charcoal non-reflective window tinting may be installed without Committee review.

SIDEWALKS: Please refer to DRIVEWAY EXTENSIONS AND SIDEWALKS.

SIGNS: No sign of any kind which is Visible From Neighboring Property shall be installed or displayed on any Lot or Common Areas without the prior written approval of the Committee as to size, color, design message content, number and location except:

1. Such signs as may be used by Declarant or the Designated Builders in connection with the development and sale of Lots and/or Dwelling Units or Common area in the Community;
2. Such signs as may be required by legal proceedings, or which by law may not be prohibited;
3. One temporary sign per Lot no larger than thirty inches by twenty-four inches (30"x24") used exclusively to advertise the Lot for sale;
4. A maximum of one (1) political sign (as defined by A.R.S. §33-1808) with maximum dimensions of twenty-four inches by twenty-four inches (24"x24") (or such greater number and/or greater size of political signs permitted by ordinances if the governing body regulates the size and number of political signs

on residential property); provided that no political signs may be displayed earlier than forty-five (45) days before an election day or more than seven (7) days after an election day;

5. Such signs as may be desired by Declarant or a Designated Builder or required for traffic control, construction job identification, builder identification, and subdivision identification as are in conformance with the requirements of the City; and
6. All other signs approved in advance in writing by the Committee.

All signs shall conform to applicable municipal ordinances and other governmental requirements. **Signs advertising landscaping or pool contractors, etc., must be removed within forty-eight (48) hours of completion of work.**

NO "For Rent" or "For Lease" signs may be displayed by the Owner or occupant of a Lot for so long as Declarant or a Designated Builder are marketing new homes in subdivision.

Security Signs: Security signs must be located a maximum distance of two feet (2') from the front of the home. Security signs must not exceed twelve inches by twelve inches (12"x12") and must be maintained in good condition at all times.

SOLAR PANELS AND EQUIPMENT: Except as initially installed by the Declarant or a Designated Builder, no heating, air conditioning, evaporative cooling or solar energy collecting unit or panels shall be placed, constructed or maintained upon any Lot without the prior written approval of the Committee.

Solar collecting panels and devices must be placed so as not to be Visible from Neighboring Property, or are placed in such locations and with such means of screening or concealment as the Architectural Committee may reasonably deem appropriate to limit, to the extent possible, the visual impact of such solar collecting panels and devices when Visible from Neighboring Property.

STORAGE SHEDS: Storage sheds will be permitted and need not be submitted for approval, provided the maximum height of the shed, including roof, does not exceed seven feet (7'). Sheds shall have a minimum set back of five feet (5') from all perimeter walls. Materials shall be of a high quality and shall be in harmony with the exterior of the residence including siding, color and roof material. Storage sheds on Lots with non-solid fencing (i.e., wrought iron fencing) are subject to the following provisions (i) the shed may not be placed adjacent to the view fence; (ii) the shed must be screened from view with approved plant materials; and (iii) placement of the shed must be approved prior to installation.

WINDOWS: Permanent draperies or suitable window treatments shall be installed on all front-facing windows within ninety (90) days of occupancy. No reflective materials, including but not limited to, aluminum foil, reflective screens or glass, mirrors or similar type material, shall be installed or placed upon the outside or inside of any windows. Exterior window coverings or treatments used to shelf or decorate openings must be compatible, with respect to materials and color, with the style and color of the home.

LANDSCAPE GUIDELINES

FRONT YARD LANDSCAPING: If landscaping is not installed by the Builder, it shall be installed by the Owner within sixty (60) days after becoming the Owner of a Lot in that portion of his Lot which is between the street(s) adjacent to his Lot and the exterior wall of his Unit or any wall separating the side or rear yard of the Lot from the front yard of the Lot. The landscaping and irrigation improvements shall be installed in accordance with plans approved in writing by the Committee. Prior to installation of such landscaping, the Owner shall maintain the front yard of the Lot in a weed-free condition.

Front yard landscaping must have a minimum of two (2) fifteen (15)-gallon trees, ten (10) five (5)-gallon shrubs, ten (10) one (1)-gallon shrubs and five (5) one (1)-gallon groundcover plants; organic or inorganic ground cover on all areas (no bare earth is allowed), and underground irrigation to plant material. The tree requirement may be substituted with approved cacti with a minimum height requirement of five feet (5').

Fine grading and mounding is a critical aspect of landscaping. Each Lot has been graded such that all storm water will drain away from the house. It is important that this drainage pattern be maintained when preparing the landscape design, especially if mounding or berming is proposed. In all cases, the installation must comply with the applicable municipal grading and drainage plan. Every effort should be made to make mounding or berming appear natural.

REAR YARD LANDSCAPING: Any Lot that is not completely enclosed by a solid wall or fence that is at least six feet (6') high or any Lot that has non-solid fencing (i.e., wrought iron rather than a solid wall) on any boundary of its rear yard shall be completely landscaped and irrigated (front, rear, and side yards) by the Owner of such Lot. Such landscaping and irrigation improvements shall be installed in compliance with plans approved in writing by the Committee, as well as, all applicable municipal zoning ordinances within ninety (90) days of becoming the Owner of the Lot. Prior to installation of such landscaping, the Owner shall maintain the portions of such Lot required to be landscaped in a weed-free condition.

TURF: No artificial turf shall be permitted in the front yard; however, artificial turf may be installed in the rear yard. Such artificial turf shall be of a high quality material, installed per manufacturer's recommendations and maintained in like-new conditional at all times.

LANDSCAPE LIGHTING: Lighting other than low voltage landscape lights must be approved by the Committee. The following outlines the minimum standards for lighting: (i) Lighting shall be shielded such that the light shines primarily on the Lot on which it is installed. Lights which create glare visible from other Lots are prohibited; (ii) Lights shall be screened whenever possible with walls, plant materials or internal shielding to allow the light to be seen, but the not fixture itself.

PLANTING REQUIREMENTS: No Owner shall allow sprinklers to spray or other water sources to deliver water within five feet (5') of any wall, fence or structure. No Owner shall allow water to be provided (by sprinkler, drip line, hose, hand delivery or otherwise) to any plant located within five feet (5') of any wall, fence or structure. Such restriction excludes rainfall that falls directly on such area. No Owner shall allow any plant to attach itself to any wall (i.e., ivy). No Owner shall allow any tree to grow within six feet (6') of any wall (with such distance measured from the above-ground part of the tree that is nearest to the wall within five feet (5') of the ground level of the tree, including any portion of the root system that is not completely covered by dirt).

HARDSCAPE: Any hardscape items proposed for front yard installation must be approved by the Committee prior to installation. Materials included in hardscape are concrete, brick, tile, wood, pavers, etc. Examples of hardscape items are planters, walkways, retaining walls, decorative walls and fountains.

ROCK GROUND COVER: If decomposed granite or other landscape rock is used, it must be of an "earth tone" color and not painted white, green, blue or other bright colors. No more than two (2) different colors of three-quarter inch (3/4") screened granite rock is allowed in the front yard, and rock shall not spell out any words or names. Granite must be treated with pre-emergent at regular intervals to retard weed growth.

River rock shall be one (1) to six (6) inches in diameter and cover not more than ten percent (10%) of the front yard landscaping. Rip rap of a similar color as the front yard, placed in a "run" must also meet this ten percent (10%) maximum calculation.

PROHIBITED PLANT MATERIAL: The following vegetation types and varieties are expressly prohibited:

1. Olive tree (*Olea europaea*) other than the "Swan Hill" variety.
2. Oleander (*Nerium oleander*) other than dwarf variety and *Thevetia* (*Thevetia* species).
3. Fountain Grass (*Pennisetum setaceum*) or Pampas grass (*Cortaderia selloana*).
4. All varieties of Citrus are permissible within the confines of the rear yard only.
5. Mexican Palo Verde (*Parkinsonia aculeata*).
6. All varieties of mulberry trees.

ASSOCIATION RULES

ANIMALS: No animals, horses, insects, livestock, or poultry of any kind shall be raised, bred, or kept on or within any Lot or structure thereon except that dogs, cats or other common household pets (types and breeds limited to those determined to be acceptable by the Board of Directors) may be kept on or within the Lots, provided they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers as determined by the Committee. Notwithstanding the foregoing, no animal or fowl may be kept on any Lot which results in a nuisance to, which is an annoyance to, or which are obnoxious to other Owners in the vicinity. All pets, required by any law,

must be kept within a fenced yard or on a leash under the control of the Owner at all times. No structure for the care, housing or confinement of any animal or fowl shall be maintained so as to be Visible from Neighboring Property. Owners are responsible for the immediate removal of pet waste whether it be from the common areas, neighboring Lots or within the confines of their own Lot.

HOLIDAY DECORATIONS: Owners may display holiday decorations which are Visible from Neighboring Property only if the decorations are of the kinds normally displayed in single family residential neighborhoods, are of reasonable size and scope, and do not disturb other Owners and residents by excessive light or sound emission or by causing an unreasonable amount of spectator traffic. Holiday decorations may be displayed no more than thirty (30) days before or more than twenty-one (21) days after any nationally recognized holiday.

SANITATION: All refuse, including without limitation all animal wastes, shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. Until removal from the Lots, refuse shall be placed in closed refuse containers with operable lids so that such containers are not open to the air. Refuse containers shall be kept clean, sanitary and free of noxious odors. Refuse containers shall be maintained so as to not be Visible from Neighboring Property, except that containers meeting City specifications may be placed out for pickup no earlier than 6:00 p.m. the day before collection and must be removed from view no later than 8:00 p.m. the day of collection. No outdoor incinerators are allowed.

Each owner shall be responsible for removal of rubbish, debris and garbage not only from his Lot or parcel, but also from all public right-of-ways either fronting or alongside his Lot or parcel, excluding (i) public roadway improvements, and (ii) those areas specified on a Tract Declaration or subdivision plat to be maintained by the City or the Association.

SEASONAL ITEMS AND DECORATIVE FLAGS: Seasonal and decorative flags which are house mounted below the roofline do not require approval. Seasonal flags may be displayed thirty (30) days before and must be removed within twenty-one (21) days after the date of the holiday to which the flag pertains. Flags must be maintained in good condition at all times. Flags that are torn, ripped, faded, etc., constitute grounds for fines and removal. Flags shall not be offensive to the Association. The Board of Directors shall make this determination at its sole discretion.

YARD SALES: Owners may hold "yard sales" to sell personal property of such Owners only in compliance with the following requirements: (i) yard sales shall be limited to two (2) days per year on any Lot; (ii) no yard sale shall commence prior to 6 a.m. or continue after 5 p.m.; (iii) no Owner shall post any signs advertising any yard sale anywhere on the Property except that a temporary sign may be posted on such Owner's Lot on the day that a yard sale is being held; and (iv) if the Association ever adopts standard yard sale dates for the Property, yard sales shall be held only on such dates. The Association shall give reasonable notice to all Owners if it adopts standard yard sale dates for yard sales on the Property.

ARCHITECTURAL COMMITTEE SUBMITTAL FORM

**Please mail to:
Las Brisas Community Association
c/o AAM, LLC ~ Attention: Community Manager
1600 W. Broadway Rd., Ste 200 ~ Tempe, AZ 85282
Phone: (602) 957-9191 Fax: (602) 870-8231 or 866-477-9188**

PLEASE CHECK APPROPRIATE BOX BELOW:

- ARE YOU SUBMITTING PRIOR TO LIVING IN THE COMMUNITY?
- I AM CURRENTLY LIVING IN THIS COMMUNITY.

Name: _____ Date: _____

Community: _____ Lot# _____

Property Address: _____ Phone# _____

Current Mailing Address: _____

Submittal Type: i.e., landscaping changes to be made to my property and changes to the exterior of my home

Type of Material to be used - (attach samples / pictures / brochures): _____

Color to be used – (attach samples / pictures / brochures): _____

MUST INCLUDE A PLOT PLAN INDICATING LOCATION OF SUBMITTAL AND INCLUDE APPLICABLE MEASUREMENTS AND DIMENSIONS.

INCOMPLETE SUBMITTALS WILL BE DENIED

Homeowner agrees to comply with all applicable City and State laws, and to obtain all necessary permits. Approval by the Architectural Committee shall not be deemed a warranty or Representation as to the quality of such construction, installation, addition, alteration, repair, change or other work, or that work conforms to any applicable building codes or other Federal, State or local law, statute, ordinance, rule or regulation.

Architectural Design Committee requests will be reviewed within 60 days. Requests will be approved, denied or returned for additional information.

Homeowner Signature: _____ Date: _____

Homeowner E-mail address: _____

“Office Use Only”

The Above Described Architectural Change Has Been

APPROVED _____ subject to the following
condition(s): _____

DISAPPROVED _____

SIGNATURE _____ DATE _____

Exhibit C

Exhibit D



Exhibit E

Las Brisas Community Association
4645 East Cotton Gin Loop
Phoenix, AZ 85040
Telephone: (602) 437-4777 Fax: (602) 437-4770

ARCHITECTURAL REQUEST

If you require more space or have further details, please include them as an attachment on a separate page. Also, please submit all sketches, drawings, photos, and sample material brochures related to the proposed change along with paint color samples (if applicable).

Once you mail, email, deliver, or otherwise submit your improvement for review by the Architectural Committee to City Property, you will receive an "Acknowledgement" of receipt of your submittal by City Property within 5 business days. If you do not receive this "Acknowledgement" letter within 5 business days, contact us immediately. Do not start work without approval as you may be required to remove changes of improvements at your own cost.

You may submit your form by logging into your account at <https://homeowners.cityproperty.com> and selecting the "Submit an Architectural Request" menu item. Alternatively, you may email your completed form and all attachments to arch@cityproperty.com

Date: 10/24/2024

Account Number: 1-175

Property Address: 18600 W. Pioneer St, Goodyear, AZ, 85338

Owner's Name: Donna M Shadden & Keith Shadden

Mailing Address: 18600 W. Pioneer St

City: Goodyear State: AZ Zip Code: 85338

Home Phone: 3076400518

Alternate Phone: 3076301328

Email: donna.shadden@park.edu

Preferred method of contact/response: Mail Email

Summary of Architectural Request: request for reflective material on garage door

Description of Project: Per the Board of Directors hearing outcome letter dated 10.23.2024, I am submitting a request for approval to have reflective materials on my garage door glass cut outs which are already installed.

Dimensions: _____

Materials: reflective tint on garage door glass cutouts

Location: garage door

Colors: reflective material

Vendor/Contractor: none

Start Date: _____ Completion Date: _____

- The homeowner agrees to the following: (1) Provide positive drainage away from their home, walls and neighboring properties including Common Areas, if applicable. (2) The homeowner agrees to maintain the improvement if approved by the Architectural Committee. (3) The homeowner agrees to comply with all City, County and State laws/ordinances/codes/etc. and must obtain all required permits.

Donna M Shadden & Keith Shadden

Lot Owner

10/24/2024

Date

OFFICIAL USE ONLY:

Request ID #: _____

APPROVED

CONDITIONAL APPROVAL

DISAPPROVED

COMMENTS: _____

Las Brisas Community Association

Date

Las Brisas Community Association
4645 East Cotton Gin Loop
Phoenix, AZ 85040
Telephone: (602) 437-4777 Fax: (602) 437-4770

ARCHITECTURAL REQUEST

If you require more space or have further details, please include them as an attachment on a separate page. Also, please submit all sketches, drawings, photos, and sample material brochures related to the proposed change along with paint color samples (if applicable).

Once you mail, email, deliver, or otherwise submit your improvement for review by the Architectural Committee to City Property, you will receive an "Acknowledgement" of receipt of your submittal by City Property within 5 business days. If you do not receive this "Acknowledgement" letter within 5 business days, contact us immediately. Do not start work without approval as you may be required to remove changes of improvements at your own cost.

You may submit your form by logging into your account at <https://homeowners.cityproperty.com> and selecting the "Submit an Architectural Request" menu item. Alternatively, you may email your completed form and all attachments to arch@cityproperty.com

Date: 10/29/2024

Account Number: 1-175

Property Address: 18600 W. Pioneer St, Goodyear, AZ, 85338

Owner's Name: Donna M Shadden & Keith Shadden

Mailing Address: 18600 W. Pioneer St

City: Goodyear State: AZ Zip Code: 85338

Home Phone: 3076400518

Alternate Phone: 3076301328

Email: donna.shadden@park.edu

Preferred method of contact/response: Mail Email

Summary of Architectural Request: request for reflective material on garage door

Description of Project: Request waiver to allow for reflective material on garage glass cut outs. Garage door does not fall within the restriction of section 5.10 Windows since the first restriction of section 5.10 would not apply. Request approval to have tint with reflective properties on garage door to assist with lowering internal garage temperature. The material will not lessen property value and will not reflect the sun to a degree which would be considered a nuisance to any neighboring properties.

Dimensions: _____

Materials: reflective tint on garage door glass cut outs

Location: garage door

Colors: reflective material

Vendor/Contractor: none

Start Date: _____ Completion Date: _____

- The homeowner agrees to the following: (1) Provide positive drainage away from their home, walls and neighboring properties including Common Areas, if applicable. (2) The homeowner agrees to maintain the improvement if approved by the Architectural Committee. (3) The homeowner agrees to comply with all City, County and State laws/ordinances/codes/etc. and must obtain all required permits.

Donna M Shadden & Keith Shadden

Lot Owner

10/29/2024

Date

OFFICIAL USE ONLY:

Request ID #: _____

APPROVED

CONDITIONAL APPROVAL

DISAPPROVED

COMMENTS: _____



Exhibit F

**Las Brisas Community Association
4645 East Cotton Gin Loop
Phoenix, AZ 85040
Phone: (602) 437-4777**

ARCHITECTURAL CHANGE REQUEST #164719
NOTIFICATION OF DISAPPROVAL DUE TO INSUFFICIENT INFORMATION

10/25/2024

Donna M Shadden and Keith Shadden
18600 W. Pioneer St
Goodyear, AZ 85338

Property Account #: 1-175
Property Address: 18600 W. Pioneer St, Goodyear, AZ, 85338

Dear Donna M Shadden and Keith Shadden,

Thank you for your recent architectural request submittal. Your request has been reviewed. I regret to inform you that your request has been determined to have insufficient information to consider for approval. Specifically, the following request as submitted on 10/24/2024:

Install reflective material on garage door as stated on request form.

The Architectural Review Committee was unable to review your request because the following information was not provided or is not clear:

Application incomplete. As stated on the top of the application, please submit all sketches, drawings, photos, and sample material brochures related to the proposed change.

Please resubmit your Architectural Request Form with the additional information requested above. The Architectural Review Committee has 60 days to review your request. Please note that the review time frame will begin upon receipt of your request.

Please retain a copy of this letter in your permanent files. Should you have any questions or require additional information, please do not hesitate to contact me at (602) 437-4777, ext. 2196 or via e-mail at jaime.cryblskey@cityproperty.com. Please reference Architectural Request #164719.

Sincerely,



Jaime Cryblskey
Community Manager for Las Brisas Community Association

Las Brisas Community Association
c/o City Property Management
4645 East Cotton Gin Loop
Phoenix, Arizona 85040
(602) 437-4777 / FAX (602) 437-4770

ARCHITECTURAL CHANGE REQUEST #164976
NOTIFICATION OF DISAPPROVAL

12/2/2024

Donna M Shadden and Keith Shadden
18600 W. Pioneer St
Goodyear, AZ 85338

Property Lot#: 1-175
Property Address: 18600 W. Pioneer St
Goodyear, AZ 85338

Dear Donna M Shadden and Keith Shadden:

Thank you for your recent architectural request submittal. I regret to inform you that your architectural submittal has been reviewed and has been disapproved. Specifically, the following request as submitted on 10/29/2024:

Install reflective materiel on garage door as stated on request form.

The Association is charged with the responsibility of conforming to the governing documents and preserving the aesthetic appearance of the Community to help protect the value of the homes. Occasionally this means rejecting a request for Architectural Approval. In this case, the request was not approved for the following reason(s):

Reflective materials are expressly prohibited

Please retain a copy of this letter in your permanent files. Should you have any questions or require additional information, please do not hesitate to contact the Architectural Request Department at arch@cityproperty.com. Please reference Architectural Request #164976.

Sincerely,

Architectural Review Committee
Las Brisas Community Association